



Legislative Assembly of Alberta

The 29th Legislature
Third Session

Standing Committee
on
Resource Stewardship

Ministry of Environment and Parks
Consideration of Main Estimates

Tuesday, April 4, 2017
9 a.m.

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Third Session**

Standing Committee on Resource Stewardship

Loyola, Rod, Edmonton-Ellerslie (ND), Chair
Hunter, Grant R., Cardston-Taber-Warner (W), Deputy Chair

Babcock, Erin D., Stony Plain (ND)
Clark, Greg, Calgary-Elbow (AP)
Dang, Thomas, Edmonton-South West (ND)
Drysdale, Wayne, Grande Prairie-Wapiti (PC)
Hanson, David B., Lac La Biche-St. Paul-Two Hills (W)
Kazim, Anam, Calgary-Glenmore (ND)
Kleinsteuber, Jamie, Calgary-Northern Hills (ND)
Loewen, Todd, Grande Prairie-Smoky (W)
MacIntyre, Donald, Innisfail-Sylvan Lake (W)
Malkinson, Brian, Calgary-Currie (ND)
Nielsen, Christian E., Edmonton-Decore (ND)
Rosendahl, Eric, West Yellowhead (ND)
Starke, Dr. Richard, Vermilion-Lloydminster (PC)*
Woollard, Denise, Edmonton-Mill Creek (ND)

* substitution for Wayne Drysdale

Also in Attendance

Fraser, Rick, Calgary-South East (PC)
Swann, Dr. David, Calgary-Mountain View (AL)

Support Staff

Robert H. Reynolds, QC	Clerk
Shannon Dean	Law Clerk and Director of House Services
Trafton Koenig	Parliamentary Counsel
Stephanie LeBlanc	Parliamentary Counsel
Philip Massolin	Manager of Research and Committee Services
Sarah Amato	Research Officer
Nancy Robert	Research Officer
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications and Broadcast Services
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

Standing Committee on Resource Stewardship

Participants

Ministry of Environment and Parks

Hon. Shannon Phillips, Minister

Andre Corbould, Deputy Minister

Tom Davis, Assistant Deputy Minister, Corporate Services

Steve Donelon, Assistant Deputy Minister, Parks

Mike Fernandez, Assistant Deputy Minister, Policy, Legislation, and Evaluation, Alberta Climate Change Office

Ronda Goulden, Assistant Deputy Minister, Policy and Planning

Sandra Locke, Assistant Deputy Minister, Implementation, Engagement, and Regulatory

9 a.m.

Tuesday, April 4, 2017

[Loyola in the chair]

**Ministry of Environment and Parks
Consideration of Main Estimates**

The Chair: I'd like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Environment and Parks for the fiscal year ending March 31, 2018.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, please introduce the officials that are joining you at the table. I'm Rod Loyola, the MLA for Edmonton-Ellerslie and chair of this committee. I'll pass it on to you, sir.

Mr. Hunter: I'm Grant Hunter. I'm the MLA for Cardston-Taber-Warner and the deputy chair.

Mr. Hanson: David Hanson, MLA for Lac La Biche-St. Paul-Two Hills.

Mr. Loewen: Todd Loewen, MLA, Grande Prairie-Smoky.

Mr. MacIntyre: Don MacIntyre, MLA for Innisfail-Sylvan Lake.

Dr. Starke: Good morning. Richard Starke, MLA for Vermilion-Lloydminster.

Mr. Fraser: Rick Fraser, Calgary-South East.

Ms Phillips: Shannon Phillips, MLA for Lethbridge-West, Minister of Environment and Parks, minister responsible for the climate change office. I have here with me Deputy Minister Andre Corbould from Environment and Parks, Assistant Deputy Minister Sandra Locke from the climate change office, and Assistant Deputy Minister Tom Davis from corporate services.

Ms Woollard: Denise Woollard, MLA for Edmonton-Mill Creek.

Mr. Malkinson: Brian Malkinson, MLA for Calgary-Currie.

Mr. Dang: Good morning. Thomas Dang, MLA for Edmonton-South West.

Mr. Nielsen: Good morning. Chris Nielsen, MLA for Edmonton-Decore.

Mr. Kleinsteuber: Good morning. Jamie Kleinsteuber, MLA, Calgary-Northern Hills.

Ms Babcock: Erin Babcock, Stony Plain.

Mr. Rosendahl: Good morning. MLA, West Yellowhead, Eric Rosendahl.

Ms Kazim: Anam Kazim, MLA for Calgary-Glenmore.

The Chair: Thank you.

I'd like to note for the record that Dr. Starke is a substitute for Mr. Drysdale.

Please note that the microphones are operated by *Hansard*, and the committee proceedings are being audio and video live streamed. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates. Before we proceed with

consideration of the main estimates for the Ministry of Environment and Parks, I would like to review briefly the standing orders governing the speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or the member of the Executive Council acting on the minister's behalf may make opening comments not to exceed 10 minutes. For the hour that follows, members of the Official Opposition and the minister may speak. For the next 20 minutes the members of the third party, if any, and the minister may speak. For the next 20 minutes the members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time remaining, we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes, as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the final rotation, with speaking times of up to five minutes, once again a minister and a member may combine their speaking times for a maximum total of 10 minutes. Discussion should flow through the chair at all times regardless of whether or not the speaking times are combined. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time. If members have any questions regarding speaking times or the rotation, please feel free to send a note or speak directly to either the chair or the committee clerk about the process.

A total of six hours have been scheduled to consider the estimates for the Ministry of Environment and Parks. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break? Seeing none, we'll go with that.

Committee members, ministers, and other members who are not committee members may participate. However, only a committee member or an official substitute for a committee member may introduce an amendment during a committee's review of the estimates.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. We have pages available to make deliveries should any notes or other materials need to pass between the gallery and the table. Members' staff may be present and seated along the committee room wall. Space permitting, opposition caucus staff may sit at the table; however, members have priority for seating at the table at all times.

If debate is exhausted prior to six hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn for today at 12 p.m. Points of order will be dealt with as they arise, and the clock will continue to run.

Any written material provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

Again I will remind all meeting participants to please address their questions and responses through the chair and not directly to each other.

The vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 19, 2017.

If there are amendments, an amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on amendments is deferred until Committee of Supply convenes on April 19, 2017. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. Twenty copies of amendments, including the original, must be provided at the meeting for committee members and staff.

I will now invite the Minister of Environment and Parks to begin her opening remarks. Over to you.

Ms Phillips: Thank you, Mr. Chair. I'd like to introduce those from my department who have joined us here today. We have Andre Corbould, deputy minister of Environment and Parks, and Sandra Locke, who is the assistant deputy minister of the implementation, engagement, and regulatory division of the Alberta climate change office. We also have Tom Davis, who is the assistant deputy minister of corporate services for both offices. We have others in the gallery this morning from Environment and Parks and from the Alberta climate change office as well as members from the Natural Resources Conservation Board and the Environmental Appeals Board, two of the quasi-judicial bodies that report to the Environment and Parks ministry.

Mr. Chair, Budget 2017 continues to deliver on the priorities of Albertans and to make life better and more affordable for Albertans. We're allocating funding to ensure Albertans have access to clean drinking water, to protect and develop our natural landscapes in responsible ways, to guarantee that our air quality is monitored in the most science-based way and strictest way possible, and ultimately to work towards a better, cleaner, more sustainable environment for future Albertans. I'm proud to say that we're doing this in a responsible manner that respects our responsibility for stewardship of the public purse.

With that, I'm here to discuss the 2017 budget for Environment and Parks, which includes the funding for the Alberta climate change office, or ACCO. The overall operational budget for the ministry, including the ACCO, is \$950 million. There is some very incredible work happening there to ensure the protection of our environment while promoting sustainable growth and building a green and diversified economy. I'd like to highlight some of this work and how it's supported through Budget 2017.

First, a brief outline of three of our major areas of focus in Environment and Parks: air, land, and water. We're estimating spending \$17.3 million on air programming and \$43.1 million on land. While it may seem that there's an increase in land funding, this is due to a change in accounting for '17-18. The \$10.5 million increase in the case of public land management is actually management work undertaken for the Department of Agriculture and Forestry. The money is then recouped in internal government transfers. Both of these items, land and air, are relatively unchanged from Budget 2016. We see both of these areas as striking the right balance between undertaking important policy and stewardship work and fiscal responsibility. This work is also bolstered through other areas such as monitoring from the new environmental monitoring and science division as well as through programs delivered by the Alberta climate change office.

We are increasing our investments, however, around water. Under Budget 2017 we are estimating \$66.7 million in operating expenses for water-related items. Our government believes there is nothing more fundamental to life and public safety than access to a secure water supply. We're following through on implementing the

Alberta wetland policy, which will cost approximately \$10 million. The policy was developed to address wetland management concerns across the province and aims to conserve, restore, protect, and manage Alberta's wetlands to sustain the benefits they provide to the environment, society, and the economy.

We also have a small uptick in funding for flood mitigation and adaptation. This is primarily due to offsetting flood recovery work from the 2013 southern Alberta floods. As you'll see, we have no budget line this year for 2013 flood recovery. Much of this work was scheduled to wrap up over the previous year. We do, however, have \$65 million in capital grants available for flood adaptation under Budget 2017. This is used for the Alberta community resilience program and the watershed resilience programs.

9:10

The ACRP, which is receiving \$58.5 million, is used to fund community-level flood mitigation projects such as flood barriers, erosion controls, stormwater management, and protection for existing water infrastructure. These are very important programs to municipalities, municipal districts, and rural counties. The WRRP is receiving \$6.5 million to fund projects such as the creation and enhancement of wetlands, restoration of riparian areas, education, outreach, and the implementation of best management practices. Oftentimes those projects involve very creative partnerships between municipalities, ranchers, private landowners, and public land. Both of these programs will help municipalities adapt to our changing climate and protect Albertans from the impacts of both flood and drought.

Budget 2017 is also a clear acknowledgement that we share our province with diverse wildlife, or at least we hope to continue to. Fish and wildlife investments will see an estimated \$44.5 million, with meaningful increases towards fisheries and wildlife management. On the wildlife side some of this funding will go towards our federally mandated goal of recovering the woodland caribou populations. We've completed two draft plans and continue public consultation on them. Funding will allow us to continue that work as well as conduct consultations and develop plans for the 13 remaining caribou populations that we are mandated to prepare plans for. Increases to fisheries budgets will help us combat whirling disease, which has unfortunately become a reality and been dedicated in southern Alberta watersheds. This includes adding staff to help support the province's action plan on managing whirling disease. Staff will be responsible for ongoing monitoring, sampling, and tracking of the disease and a public education program.

Alberta parks are also seeing some new investments this year. Our government is allocating \$84.9 million to parks operations, which will provide much-needed maintenance funding but will allow us to make our parks more accessible. In total we're supporting 27 major renewal projects estimated at \$16 million, with another \$13 million allocated to the life cycle maintenance of park assets throughout the entire province.

We're also moving forward with the establishment of two new parks in the southwest Alberta Castle region. We've committed to \$7 million in new capital investments in that area. New funding will support the implementation of the Castle parks management plan and the creation of new outdoor recreation experiences such as the fully accessible – it will be – fishing experience for people with disabilities at Bathing Lake. Going forward, details of what this will look like are largely up to Albertans, and consultations will continue this year.

A significant change since we last met last year is that Environment and Parks brought environmental monitoring back in-house. Our government made that decision based on the idea that

environmental monitoring and credible science are a core government responsibility, and \$75.8 million is the estimated requirement for this year. This includes funding for EMSD as well as the oil sands environmental monitoring program. With the return of these functions to the department, we have realized, as predicted, savings in administrative spending as well as staffing costs for the former board of directors and executive team. Opportunities for further savings will come as resources are aligned and the internal scientific capacity to deliver environmental monitoring as a core responsibility of government is enhanced.

I'd like to now turn our attention to climate change. Budget 2017 provides the financial capacity for Alberta to continue to take action on climate change, protect our environment, create jobs, protect our economy, and ensure that two pipelines get built. Alberta's carbon levy took effect January 1, 2017, and will generate an estimated \$1 billion in 2017-18. We estimate that the revenues from large emitters that are subject to the SGER, the specified gas emitters regulation, and paid into the climate change and emissions management fund, or what I will oftentimes refer to as the CCEMF – apologies for all of the acronyms – will generate \$196 million. All carbon pricing revenues are being tracked and reinvested in the Alberta economy to help households, businesses, and communities adjust to carbon pricing, reduce emissions, create jobs, and diversify the economy. Budget 2017 has over \$1.2 billion invested in climate leadership related actions in '17-18. Of this, \$410 million is allocated to rebates to allow lower and middle-income households to adjust.

One of the key focuses of the CLP is phasing out coal-fired electricity pollution by 2030. In order to support affected communities, promote investor confidence, and protect jobs, we're providing transition payments to companies that were originally slated to operate beyond 2030. These payments, a total of \$1.13 billion, will be made over 14 years. In '17-18 this payment is \$97 million, approximately a \$10 per tonne GHG abatement cost. These payments will be coming from the carbon price revenue that large emitters pay. They currently pay under SGER and will transition to the carbon competitiveness regulation in 2018.

Another major focus for us is \$187 million to support energy efficiency in small-scale renewables. Programs are already in place for farms, schools, municipalities, and indigenous communities, and beginning this fiscal year Energy Efficiency Alberta will deliver initial programs that will make life more affordable, create good jobs, and improve and enhance Albertans' homes.

Budget 2017 also includes \$198 million for investments in bioenergy, innovation and technology, renewable energy, and so on. It provides \$215 million for green infrastructure, and I will have more to say about it as we go on.

Thank you, Mr. Chair.

The Chair: Thank you, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. Would you like the timer to be set for 20-minute intervals so you're aware of time, or would you prefer to let the full hour flow without interruptions?

Mr. Loewen: Could we do 40 and then a reminder at 20?

The Chair: Forty. Okay. Thank you. Please go ahead.

Mr. Loewen: Okay. I'd like to go back and forth with the minister.

The Chair: Okay. Thank you very much.

Mr. Loewen: First of all, I want to say thanks to the minister for being here this morning and, of course, to the staff for being here as well. It's great to see everybody here.

Minister, as we go along, in the interest of time I may cut you off if I feel we're rambling or we're not getting to an answer. It's nothing personal. It's just what we need to do to get through the questions that we need to today.

We'll start with page 128, line 1.6, corporate services. Is this the line for the FOIP office budget?

Ms Phillips: Yes.

Mr. Loewen: Okay. Under your leadership, access to information response times at the Ministry of Environment and Parks have doubled from about four months to now, where AEP routinely exceeds eight months to respond. It is among the worst performing departments in FOIP responses. Why is this so, and how is it consistent to provide timely information to Albertans?

Ms Phillips: Well, of course, we as a government are taking steps to reduce those response times, and we are doing so across government. Environment and Parks deals with a number of different types of freedom of information requests, and it is a very busy department with a lot of public-facing activity. As you can see, we have increased the budget for corporate services in order to be able to in part deal with that backlog and also deal with the fact that corporate services provides service to the new monitoring and science division in addition to the climate change office and, I believe, Status of Women as well. We have taken on a great deal of new responsibilities, and there is a lot of freedom of information traffic into Environment and Parks.

I will now ask Assistant Deputy Minister Tom Davis to elaborate a little bit on the plan with respect to meeting better timelines for a response.

Mr. Davis: Thank you, Minister. What we've seen is a significant increase, in particular due to the climate change office input, in terms of FOIP. We've increased the number of staff working directly with that, but there have been some challenges just in terms of getting staff trained up for this. We've also seen a significant turnover of FOIP staff that have been moving around to other departments. We're working with both Service Alberta, who oversees that overall in terms of training and the governance around that, as well as working with the office of the Information and Privacy Commissioner in terms of addressing those that are in a backlog situation.

Mr. Loewen: Okay. Thank you very much.

Now let's go on to the climate leadership plan. The climate leadership plan includes the small-business tax reduction. That was something that this government, including yourself, actually voted down on June 24, 2015, when the Wildrose proposed it, which is interesting to say the least. Regardless, I supported it then, and I support it now. Minister, can you tell us how reducing the small-business tax helps the environment?

9:20

Ms Phillips: Well, Bill 20, that the House passed last year, provides for carbon levy revenues to be reinvested in three ways, either through mitigation – that is to say, direct programming that allows or facilitates reduction of greenhouse gas emissions – through adjustment, which can include either the rebates, which are set at a very similar level to the tax cuts that were provided in B.C. for two-thirds of Albertans. It was felt that the small-business reduction fit nicely within the adjustment so that we could make sure that we had

small businesses growing and thriving. The third type of way that one might invest under the provisions of the Climate Leadership Act is, of course, that one might make investments in climate adaptation as well. That is provided for in the act.

Certainly, during the climate leadership plan process, during the Leach process, a number of different ways of recycling revenues were contemplated, and we undertook a great deal of consultation as well over a period of some months with businesses large and small, with community groups, with industry associations and others. A reduction in the small-business rate was one of the ideas put forward that was supported by small business, so that was the choice that we made.

Mr. Loewen: Okay. So you're suggesting that it was to reduce the harmful economic effects of the climate leadership plan on small businesses?

Ms Phillips: I'm not actually suggesting that at all.

Mr. Loewen: Okay. When we get to Energy Efficiency Alberta on page 135, there's the talk about the \$185 million. Where is that being budgeted? Is that for wages and benefits? How much of the \$185 million is being budgeted for wages and benefits?

Ms Phillips: Well, of course, the vast majority of it is through programming. As the energy efficiency . . .

Mr. Loewen: No. Sorry, but I asked how much is being budgeted for wages and benefits. If you can't provide it now, then could you undertake to provide it, please?

Ms Phillips: We can undertake that.

Mr. Loewen: Thank you.

Now, with the RFP for the residential no-charge savings program, will you be able to provide that to us?

Ms Phillips: I will have Assistant Deputy Minister Sandra Locke provide more information on that.

Ms Locke: Yes. RFPs are made public. We can undertake to get you a copy for sure.

Mr. Loewen: Perfect. Thank you.

Ms Phillips: Just a follow-up. That process was an entirely public process. It is contained on the website, so we could undertake to google it for you.

Mr. Loewen: Perfect. Thanks.

Okay. How about the bid list for that same program?

Ms Locke: Under procurement rules we don't normally release the bidding names for RFPs. That's confidential information.

Mr. Loewen: And how about the contract for Ecofitt?

Ms Locke: We'll undertake to get that back.

Mr. Loewen: Okay. Thank you.

Now, you say that the bid list is not public, then? That's not available?

Ms Locke: No, it's not.

Mr. Loewen: And it wouldn't be under FOIP or anything else?

Ms Locke: I don't believe that it can be made available under FOIP. It's confidentiality related to commercial interests.

Mr. Loewen: Okay. Thank you.

Now, when it comes to the program itself, what is the estimated length of the program? Do you expect it to complete the home visits and installations? Is it a one-year or two-year, five-year program? What's the time frame on that?

Ms Phillips: Well, certainly, the program has had a tremendous amount of uptake. Even in the presubscription 86,000 Albertans have signed up for these products because they do save people money. We will continue to meet the demand as it goes forward. This is essentially what is described as the starter kit in the energy efficiency world, and other jurisdictions have had this in place for some time.

Mr. Loewen: Do you have, like, a time frame on it, though? Is there, like, a . . .

Ms Phillips: Well, the current RFP is time limited, which you would find on the website. However . . .

Mr. Loewen: Sorry. But what is it? Is it one year, two years, five years?

Ms Phillips: It's one year.

Mr. Loewen: One year. Thank you very much.

Okay. Now, going back to the bid list: can we find out how many bids there were on that?

Ms Locke: Yes, we can provide that.

Ms Phillips: Yes. We have discussed that at length in public, and we can undertake to get that information to you.

Mr. Loewen: Thank you very much.

The residential no-charge program: is there a cost breakdown on a per-house basis?

Ms Phillips: No.

Mr. Loewen: Okay. So how is it calculated in the contract as far as the cost?

Ms Phillips: You know, I think how it was calculated was that it was a competitive bid process. Companies were invited to bid on this particular service, and the company that provided the most cost-effective bid was successful. There were other companies that provided . . .

Mr. Loewen: How did they bid on them? Did they bid on a per-house basis or by product or number?

Ms Phillips: By the number of products installed and the number of anticipated households.

Mr. Loewen: Okay. Thanks.

Now, is there a limit for how many light bulbs, et cetera, to be replaced in each house?

Ms Phillips: No.

Mr. Loewen: No limit. Okay. Are summer houses, barns, shops, et cetera, included?

Ms Phillips: Yes. Well, you need to be careful here. There's a business, nonprofit, and institution program as well that is moving out, so there might be some situations in which barns or other commercial facilities qualify under a different program. But in the main the household is what it qualifies for. It's obviously the smart thermostats, power bars, those kinds of installations, if you will, as well.

Mr. Loewen: Okay. Now, the Energy Efficiency Alberta website states that another program it has offered is the residential retail products program, which "offers incentives when you purchase energy-efficient appliances and other energy-saving products through participating retailers and contractors." Why, when the residential retail products program is being offered, is the residential no-charge savings program also being offered?

Ms Phillips: There are different ways to deliver different kinds of energy efficiency products. This is something that came out during the consultation process, the Leach process that we undertook in 2015, and then the energy efficiency expert panel and the detailed technical analysis that underlies that process. This starter kit of home visits guarantees a certain number of trackable greenhouse gas emissions reductions by the fact that we know that they were installed. The residential rebate program will follow, and it will track according to EnerGuide labelling. So that is the way that we know that we have achieved those greenhouse gas emission reductions, which, of course, are required under the act. So that's the reason why there are different kinds of programs.

The point-of-sale pieces will be moving by the end of the month, and they will be available for a certain number of products, like windows, for example, or insulation.

Mr. Loewen: Okay. Just to be clear, then, was there a problem with whether Albertans would actually install the things? Obviously, there's this other program going on. If you're suggesting the two programs couldn't run together, are you suggesting that Albertans wouldn't have installed the things that they said they were going to? Or how did you justify that?

Ms Phillips: The expert advice that we received based on comparisons with efficiency programs across North America – of course, Alberta is the only place in North America without such programs – was that the residential direct install was the most cost-effective way to achieve those GHG reductions in the short term very quickly.

Of course, Ecofitt has now hired 70 Albertans to be delivering this program. These are, generally speaking, HVAC technicians, so these are, you know, decent jobs. Those programs are now moving, and the residential direct install is happening. It will provide an opportunity to also ensure that people have information about future programs such as the residential rebate piece. The most important thing is that right now we have 86,000 people that have signed up, and they will save approximately \$112 a year on average.

9:30

You know, energy efficiency is very good value for investment. Albertans save \$1.30 for every dollar that we invest in energy efficiency, and that is a great rate of return which also creates jobs and provides more diversification for the economy in a broader energy economy. It's really important that we put people back to work, especially in Calgary.

Mr. Loewen: Okay. Thank you, Minister. Did you just suggest that the most cost-effective way to deliver this program, installing light

bulbs and things like that, is to hire HVAC technicians to do that? That's what you just said.

Ms Phillips: Not quite. What I indicated . . .

Mr. Loewen: Maybe you could rephrase it, then, I guess, because you just said: the most cost-effective way to deliver this.

Ms Phillips: Well, I see what we're trying to accomplish here, hon. member. You know, I think that at the end of the day what we have here is a program that is very similar to programs over the rest of the continent.

Mr. Loewen: Okay. Thank you, Minister.

Ms Phillips: And we also have 70 new, good jobs in Calgary.

Mr. Loewen: Thank you, Minister. You're not answering the question, Minister. Thank you very much.

Ms Phillips: We have 86,000 Albertans that will save \$100 per year at the minimum.

Mr. Loewen: Can we go on to another part here now, Minister? Thank you very much, Minister. You're not answering the question, so we'll carry on.

You said something about trackable greenhouse gas emission reductions. Where is that information as far as the greenhouse gas emissions that this program will deliver?

Ms Phillips: Well, we released the energy efficiency expert panel advice to us I believe earlier this year. A lot of that analysis is there.

Mr. Loewen: Does that analysis break down the actual trackable greenhouse gas emission reductions?

Ms Phillips: Yes.

Mr. Loewen: Okay. Thank you.

What would be the total spending on this residential no-charge energy savings program?

Ms Phillips: The residential no-charge program will be in the neighbourhood of – can you actually just provide that detail?

Ms Locke: I will, yes. The estimated expenditure for the fiscal year is \$56 million.*

Mr. Loewen: So \$56 million?

Ms Locke: Yes.

Mr. Loewen: Okay. Thank you very much.

Now, could you show us the information where it shows that there's \$1.30 in savings for every dollar spent?

Ms Phillips: Once again, we released the energy efficiency expert panel advice and a number of the technical analyses that underlie it, and that is all publicly available.

Mr. Loewen: Okay. And those figures are there?

Ms Phillips: A lot of the technical information that the member, Mr. Chair, is looking for is contained publicly and has been released by the government and repeatedly referred to.

Mr. Loewen: Okay. Thank you very much.

We go to ministry support services. As minister you have a dedicated special adviser on climate change. What is it that that

*See page RS-461, right column, paragraph 12

position provides to you as the minister that the climate change office is unable to provide?

Ms Phillips: I think it's fair to say that there are many, many, many moving parts in this file, so there needs to be the appropriate policy supports in particular. The depth of policy knowledge on this file is significant. There are international obligations that the federal government has undertaken. Understanding our role vis-à-vis the federal government is important. Understanding our role vis-à-vis municipalities is important and the leadership and the supports that we can provide there. Certainly, our large final emitters are a very diverse group. It is not just oil sands. We have very robust fertilizer, agricultural food processing, petrochemical, and cement manufacturing sectors, who all have different interests with respect to how the specified gas emitters regulation transitions into a system of output-based allocations. This is very, very technical stuff that it's important to get right.

Mr. Loewen: And these are all things that this special adviser does that the climate change office couldn't do?

Ms Phillips: You know, I think that it's fair to say that on one side you have a political staff, and on the other side you have a civil service staff.

Mr. Loewen: Could you explain that for me a little bit? You've got political staff on one side and . . .

Ms Phillips: Well, it's a very standard way of doing things in a parliamentary democracy in which the political staff are separate from the civil service.

Mr. Loewen: Who pays for the political staff?

Ms Phillips: I believe those staff come out of the minister's office.

Mr. Loewen: Okay. Thanks.

How was this position advertised and awarded?

Ms Phillips: It's been a long time, so I would have to undertake to follow that up for you.

Mr. Loewen: Thank you.

What are the qualifications of the special adviser?

Ms Phillips: Well, my special adviser has a PhD in engineering, in mechanical engineering, and quite recently taught courses on how electricity is generated. He has a very high level of understanding of the electricity system as well. I think it would be hard to find someone more qualified to understand how electricity is generated, produced, marketed, and so on in this province than the special adviser on climate change. In addition to that, he also has a lot of experience in areas such as business development in renewables and also in carbon pricing, a great deal of knowledge with respect to that and how that works with large final emitters, not just the electricity sector.

Mr. Loewen: Okay. Was this the person that gave advice to the government on PPAs and that sort of thing?

Ms Phillips: No.

Mr. Loewen: No? Okay. Good.

Let's go on to land and the public land management. Can you tell us why it takes your department nine months to a year for the transfer of a grazing lease from one rancher to another?

Ms Phillips: Well, I think the first thing to say there is that we are endeavouring to improve some of the timing around approvals and so on. I am keenly aware that some of those approvals in the operations division are taking a long time. That is absolutely a fact, and we have endeavoured to improve that through, for example, approvals blitzes and so on that the deputy minister has undertaken in order to be able to fix some of those sorts of chronic issues that we're hearing from both stakeholders and municipalities on.

In addition, I have undertaken a number of conversations and consultations with grazing lease holders, both in the forestry permit areas and on public land, to find ways that we can improve that system. I think that we're going to begin to see some of the results of that over the course of this year. They've been enormously productive conversations.

Deputy, do you have anything to add on that in particular?

Mr. Corbould: Yes, Minister and Chair. I would just add that we did quite a review of all the backlog issues in the department, on grazing leases in particular, and on the assignment process. The reviews have intended to validate the need for a current process to identify areas of potential efficiencies, including things like technologies and providing information resources.

The only other thing I'll say is that we also identified some pinch points where there were insufficient staff to deal with the volume of applications in those particular circumstances, and as a result we've done reassignment of positions on those pinch points to make it more efficient, to make sure we've got the right staff in the right place handling those files. So we expect a reduction in time for those approvals.

9:40

Mr. Loewen: Thank you.

Now, obviously, ranching is a business, and these kinds of delays are unacceptable. Obviously, with any other business in the world or even in buying a home, if it took nine months to transfer a home after you've paid the money and your lawyers have done all their work and you're waiting for the government to do something like this, nine months is unacceptable. When can grazing lease holders expect a time frame that's reasonable?

Ms Phillips: I think I'll defer to the deputy on that.

Mr. Corbould: Sure. I think it's fair to say, Chair, that we've already started reducing some of the backlogs and timelines. It's going to take about a year or two to do all of this over all the department.

We're working on similar efficiencies with Water Act approvals. We've had some huge success this year where, in the case of Water Act approvals, over the period of six weeks we reduced about 60 per cent of them and got them through the system. We're using lessons learned from that to do the same thing with grazing approvals and other administrative requirements. So we are already seeing positive changes in this, and I think it'll take another year or two to get them to what is considered an acceptable level.

Mr. Loewen: So what would be the target acceptable timeline?

Ms Phillips: I think it would vary by grazing lease disposition. There are a number of different requirements and a number of different processes in the approvals.

Mr. Loewen: I think everybody is aware of that, but just what would you consider an acceptable timeline to transfer a grazing lease?

Ms Phillips: I think it's fair to say that nine months is probably too long, and the bank can't wait that long. I think it's also fair to say that we need to make sure that these things are being done so that both parties to the transfer are, you know, treated with fairness. That's something that we must make sure also happens.

Now, there are a number of other things that we can do to make life better for grazing lease holders, and we are undertaking to do them.

Mr. Loewen: Okay. How did we get to this point, where it takes nine months to a year to transfer a grazing lease? How did we get to this point? I know it's been like this for several years.

Ms Phillips: Yeah. How we got to this point was successive budget cuts in the Department of Environment and Parks because the environment wasn't considered to be a priority for a long time. Consistently chipping away at the operations budget in particular certainly was something that happened. You know, enforcement budgets and other budgets were reduced even during the economic boom, which had a detrimental effect on our ability to ensure moving forward with approvals that really underpin a large amount of economic development in the province, whether it's for the agricultural sector or whether it's for municipalities or private landowners or others.

Mr. Loewen: Okay. How many transfers per year are done?

Ms Phillips: I think we would have to undertake that.

Mr. Corbould: Yeah. I can get that number for you.

Mr. Loewen: Would it have something to do with priorities within the department as far as what's a priority and what isn't a priority? I think that's the crux of any issue.

Ms Phillips: I think it's, really, fair to say that the management of public land and forestry and grazing permits has been a priority for me as a minister and for us as a government.

I feel very strongly that ranching economics need to sustain that way of life, and there is no better steward of the environment than ranchers. That's why, for example, I increased the grant to a couple of different organizations that help ranchers with those stewardship activities, and that's why I've had lengthy conversations with a number of ranchers and ranching organizations about how we can make those ranching economics work within the context of, you know, fluctuating commodity prices and some of the other pressures on the landscape, particularly in southwest Alberta, where you have development pressures and other things.

I think it's fair to say that certainly we have reorganized our priorities within the department to ensure that we are meeting what stakeholders have been asking us to do, which is to speed up the approvals process without cutting corners, and, you know, stakeholders have an interest in not cutting corners, too. We are, as the deputy indicates, seeing some positive results in terms of those approvals and on a number of different other files, too, making sure that we are making the right decisions for that way of life across the province.

Mr. Loewen: Okay. Thank you very much.

Let's go to water, then, flood hazard mapping. This has not been allocated any money that I can see. However, it is my understanding that there is obviously ongoing mapping being done. Where is the money for ongoing flood mapping coming from? What line item is that?

Ms Phillips: Just a moment.
Go ahead, please, Deputy.

Mr. Corbould: It's line 4.4. It's been moved under flood adaptation.

Mr. Loewen: Sorry. Which was that again, sir?

Mr. Corbould: Line 4.4, flood adaptation.

Mr. Loewen: Okay. Excellent. Thank you.

Ms Phillips: That budget has increased from \$5.3 million to \$11.7 million as a result of conversations with stakeholders, in particular rural municipalities who need those kinds of investments.

Mr. Loewen: Thank you. I just wanted to see where it was. Thank you very much.

Let's go on to water management. That's line 4.3 on page 128. Does this line deal with dams, weirs, canals, pumping stations, and that sort of thing?

Ms Phillips: Yes. Water management infrastructure includes 200 water management sites with an asset value of over \$9 billion. It ranges from the small dams and weirs, diversion structures, canals, pumping projects to very large dams and water conveyance systems. The department owns six extreme consequence dams and another nine very high consequence dams, that would have and do have a significant economic impact on the communities downstream from them. The infrastructure is used, of course, to manage water supply for agricultural, municipal, and industrial uses, recreation, and the environment and to provide flood and drought mitigation. The operational program is delivered by AEP. The delivery, design, construction, and maintenance are implemented in partnership with Alberta Transportation.

Mr. Loewen: Okay. Thank you.

Now, if I recall, the Auditor General reported that Alberta has somewhere around 1,500 dams of varying sizes, and there was an issue with your department failing to properly regulate and inspect all these dams. Who's responsible for upkeep, repairs, and replacements of dams, weirs, levees built by the province?

Ms Phillips: Please go ahead, Deputy.

Mr. Corbould: Mr. Chair, we are responsible for doing that management of all those facilities. All the Auditor General's recommendations have been looked at and adjusted accordingly based on some of the recommendations they've had. That is our responsibility, and we carry on doing that, with, of course, the new capital stuff being done by the Department of Transportation.

Mr. Loewen: Okay. Thank you.

Let's go on to the business plan, key strategy 1.6, the development of caribou range and action plans. Now, the last document your ministry has provided regarding caribou plans is the draft range plan, particularly for the Little Smoky and A La Peche ranges. Now, will you be tabling a final plan in the Legislature?

Ms Phillips: Well, I think it's fair to say that we have 14 or 15 range plans to prepare by I believe it's the October deadline of the federal government. The draft range plan for Little Smoky-A La Peche has been, of course, shared with the community. I have visited the community. I believe that the federal parliamentary secretary is also visiting Alberta in order to get a sense of some of the socioeconomic analysis.

Mr. Loewen: Okay. I just wanted to know when you would be providing a final plan. I mean, I understand. I've already said that

there are draft plans. I recognize that. But when will you be tabling that final plan in the Legislature?

Ms Phillips: I think we would be tabling it in the Legislature once it is complete. We have an October deadline with the federal government, so I anticipate that it will be complete slightly prior to that.

We've had some very good conversations with the communities involved. Those particular, more difficult ranges of Little Smoky-A La Peche: there's no question that that is the toughest area, which is why we have committed some resources to restoration, which is why we have begun some analysis on what penning might look like. You know, there's been a lot of different scientific analysis on that as well, which has been helpful.

Mr. Loewen: Okay. Let's just get on to the question, though. You'll be tabling it in the Legislature. It's got to be done for the end of October to meet the federal requirements, and we go back into the Legislature at the end of October. Will it be a bill that we'll be debating in the Legislature? Is that how it'll come forward?

Ms Phillips: Mr. Chair, it is not a piece of legislation, so I don't know if it would have a time for bill debate as a piece of legislation might.

Mr. Loewen: It'll be regulation, then? It'll come forward in regulation?

9:50

Ms Phillips: No. It is a plan. It is a range plan that we, under the federal act, are required to submit to the federal government. The federal government will then undertake a process with the provinces. We are not alone in this. Certainly, Saskatchewan and British Columbia face very similar challenges to what we do, and so do Quebec and, to a lesser extent, Ontario. The federal government will then evaluate those plans, and then at that point we will have a back-and-forth process as to how we will implement those plans.

One of the reasons why we want to have the federal parliamentary secretary here is to hear from communities and to hear from Albertans on how the federal species at risk legislation actually affects Albertans, how in some ways it is a very brittle and inflexible instrument in terms of how to address species at risk issues and recover them. I'm sure that will be an ongoing conversation at the federal-provincial-territorial table.

Mr. Loewen: Okay. Thank you for that information on the process there. I appreciate that.

Has your department initiated any of the processes or the things in the draft plan; for instance, the restoration of legacy seismic lines? Has that been started?

Ms Phillips: Yes. It is provided for in the budget. I'll ask the deputy to provide a little bit more of the specifics on the process, that has begun. I will add that, certainly, legacy seismic restoration was something that came out loud and clear within the initial sort of draft plan, when we went out to kind of begin to bring together what a plan might look like. Industry was very clear that they wanted to be partners with us in this legacy seismic restoration. They brought forward a number of different suggestions and solutions in order to finance that. They have been very productive partners in this process, as has the Alberta Forest Products Association and their members.

Deputy, if you wouldn't mind providing a little bit more detail on this.

Mr. Corbould: Just a couple more specifics. Minister and Mr. Chair, I would just add that we've provided a grant to the Forest Resource Improvement Association of Alberta, and the grant is being used to develop seismic restoration standards for a pilot restoration plan. We've put an RFP out and just are about to award a pilot for the restoration of some areas in Smoky-A La Peche. Of course, we're working together with industry, municipalities, and the forestry sector on all of these so that we can evaluate the pilot and do more work on it. We've really started that process while we've got draft plans because we know that at some point there are some things that we're going to have to do no matter what the final plan looks like. We know we're going to have to do some restoration, so we're doing some prework on that and getting some momentum started on that.

Mr. Loewen: Okay. With the restoration of these legacy seismic lines, are there any allowances being made for traditional trapping?

Ms Phillips: Yeah. You know, that's been part of the conversations with First Nations in the area and the Alberta Trappers Association as well. We've had very good conversations with them. So far they've been actively involved in the process. There is no shortage of legacy seismic up there. I flew over it a couple of months ago, I guess. It was cold, so it must have been January. There's a lot of work to be done, and there's certainly an ability, I think, to have a good balance there between either traditional land-use activities for First Nation and Métis people and supporting the Trappers Association, which we do as well through a grant from Environment and Parks. Certainly, they have a role to play in terms of the wolf management piece. There's no question about that. As for ability to access, you know, that's the problem. There's too much access, and it's wolf highways up there, which is why the caribou are not doing as well as we would want them to.

Mr. Loewen: Okay. Have you started on the establishment of a caribou rearing facility?

Ms Phillips: We've begun to consider the matter. There is a price tag associated with it – there's no question – and I think there's room for some scientific back and forth on this. Some are quite convinced of the merits of such an undertaking, others less so. Of course, that's science. You're never going to get a hundred per cent consensus on hardly anything. Maybe gravity, but even then, you know, it's a theory. I think it's fair to say that we also want the federal government actively involved in this. If they're going to hold us to the Species at Risk Act, the 65 per cent habitat requirement, then they need to be active partners in this as well. We also have a few more lessons to learn, I think, from B.C.'s rearing facility, which didn't work out so well. Ours, as proposed, is different, and I think it's fair to say that we want a little bit more analysis on it.

Mr. Loewen: Okay. Now, will you continue population management of the alternate prey of wolves, you know, moose and elk and deer?

Ms Phillips: Yeah, sadly. I think I'll ask the deputy to follow up on this, but sadly some of that does have to occur. That's just the basic reality. I don't think anyone likes it. The reality is that we have this species at risk, the caribou. They're not really good at breeding with each other. They're a very problematic animal. If you try to move some more in, they'll just walk home. They'll walk 5,000 miles and then 5,000 more. All kinds of things across the country have been tried in terms of recovering these species. When we're sitting at the FPT table, it was just over and over again these stories from

different provinces of different attempts at recovery, right? At the end of the day, you know, it's that habitat restoration piece in the habitat that they like, which is sort of the lowland, marshes, that kind of stuff. The muskeg, they like.

I think it's fair to say that there's still a lot more work to go on this, and we're going to try to put our best foot forward, but we need a good partner in the federal government because the requirements are pretty onerous for a province like Alberta and the kind of busy landscape that we have that sustains us all.

Mr. Loewen: Okay. And what's the likelihood of success after all this?

The Chair: Twenty minutes left in your allotted time.

Ms Phillips: Well, you know, ask the caribou, I guess. I mean, here's the thing. You need to make the right science-based decisions and put the right pieces in place, which is why we've begun with the habitat restoration, which is why we've worked with the forestry companies in terms of the kinds of flexibility that we can introduce into where the cuts are, where they aren't, which is why we've worked with the oil and gas companies in terms of play-based regulation and so on. We're minimizing that disturbance. Those are the things that are science-based ways that we know we can all work together on in order to achieve this outcome.

You know, it's going to take time, and another piece of clarity that we need from the federal government, quite frankly, is how much time we have. You know, it doesn't matter, really, how good your plan is. You can't make trees grow faster, so what you need to be able to do is to have something credible, which is what we're trying to achieve with the federal government.

Mr. Loewen: Have you done any analysis at all on the likelihood of success?

Ms Phillips: There has been some. Deputy, if you might . . .

Mr. Corbould: Well, Minister and Mr. Chair, I would just say that a lot of our programs like caribou recovery – when we look at things like sage grouse and we look at walleye recoveries, these plans do work, and they're proven to work over time. We constantly evaluate them. The intent is to create a plan that can work and will be successful, so we're always looking at ways to amend that. I think it will work. It's a matter of how much time it will take, and obviously there are some areas where it's a greater challenge than it is in other areas. Smoky-A La Pêche, for example, is probably the most difficult place for us to tackle, which is why the government directed us to tackle it first. I think they will have successful outcomes.

Mr. Loewen: Thank you.

Now, is there still a plan to take 1.8 million hectares from northern Alberta to set aside there? Is that still in the plans?

Ms Phillips: There was a proposal within the draft plan for a Chinchaga wilderness area. I think it's fair to say that that was a proposal and remains so. You know, we will undertake conversations with Mackenzie county, with industry, with others on how that might work over time or not. It's certainly at the proposal stage.

Mr. Loewen: Okay. Thanks.

We'll go on to page 66 of the business plan. It says, "Effectively managing the impacts of outdoor recreation may also create an opportunity for expansion of recreation and tourism industries as

part of [a transition] to a greener . . . economy." What is meant by effectively managing the impacts of outdoor recreation?

Ms Phillips: It means having the right infrastructure in the right places so that you have activity happening in the places where it's most appropriate to do so. For example, it means that as part of the capital plan we have \$3 million being invested into engineered trails in the Porcupine-Livingstone area, in those proposed public land-use zones, for example. That's a piece of that.

10:00

There are ongoing partnerships and investments through TrailNet – some of it is in my department, and some of it is in Culture and Tourism – to work with the Alberta Snowmobile Association, with the off-highway vehicle folks to make sure that those engineered trails are available where they're most appropriate to be.

There are a number of other different kinds of recreation that happen as well. You know, it's really important that all Albertans can have access to the outdoors, so investing in some of that infrastructure so that people with disabilities have someplace to go and experience the outdoors just like anyone else I think is a priority. That's why we are investing, for example, in a new angling spot in the Castle region called Bathing Lake, that is fully accessible, with a number of different actual infrastructure investments. That's why we have continued the work that the MLA for Vermilion-Lloydminster began on upgrading the William Watson Lodge cabins at Kananaskis. In fact, we are diverting some of the revenue from the Kananaskis golf course in order to ensure that there's continuous upgrading at that facility because that is what is important to us.

You know, there are a number of different kinds of outdoor recreation that Albertans enjoy. For a long time our parks and other infrastructure were not invested in in a capital way, as we are doing. I think it's important that families have access to that stuff.

Mr. Loewen: Okay. Thank you, Minister.

Last year also included a significant priority initiative in creating new parks or reclassifying existing ones. Is your department considering expanding the number of provincial parks, and if so, where are these new parks going to be located?

Ms Phillips: Of course, we made a platform commitment to protecting the Castle region, which we have moved forward with. Those conversations are ongoing in terms of how those particular spaces will be managed. The North Saskatchewan Regional Advisory Council concluded its regional plan deliberations some time ago, so we will be releasing that advice and working with municipalities and others on what that public consultation feedback contains. You know, it's fair to say that we have this proposal for the Chinchaga area. We will continue to examine it.

Also, industry in the lower Athabasca region has come to us to ask us to examine ways that we can perhaps expand some of the parks that have been given a protective notation in the lower Athabasca regional plan but that we haven't officially proclaimed yet because there might be opportunities to expand some of those areas, to work with First Nations on ensuring traditional land use and ensuring that that treaty right is, you know, meaningfully upheld.

So that's the kind of work in terms of parks that is under consideration right now by government.

Mr. Loewen: Okay. Now going to key strategy 1.2, page 67, the fourth bullet point says, "Science and Indigenous Wisdom Advisory Panel recommendations." Now, has this panel submitted any recommendations yet?

Ms Phillips: Well, as the members know, the establishment of an Indigenous Wisdom Advisory Panel is within the act, and the minister must appoint such a panel. They work very closely with the environmental monitoring and science division and the chief scientist.

Mr. Loewen: I just want to get to the point about: have they submitted any recommendations yet?

Ms Phillips: You know, I think it's fair to say that the Indigenous Wisdom Advisory Panel is not a panel that provides recommendations in the traditional sense of what we would understand a set of recommendations to be. They will provide ongoing advice to the chief scientist to ensure that the principles of traditional ecological knowledge are woven into our approach to community-based monitoring, in particular, and certainly the oil sands monitoring program.

Is there anything more to say about that in terms of their terms of reference?

Mr. Corbould: Certainly, Minister, I would just add that they are operating now. A lot of the advice they provide is actually to the chief scientist himself and to the science panel. There's an engagement between the internationally recognized science panel and the Indigenous Wisdom Advisory Panel.

To be very specific, they have not provided a specific written piece of advice to the minister yet, but that will come in time as they do more work. They've certainly had a couple of meetings with the minister and are working with the chief scientist and their staff. At some point in the future we would expect to see specific pieces of advice to the minister, but that hasn't happened yet.

Mr. Loewen: Okay. Thank you.

Key strategy 1.6. What progress has been made with regard to the wildlife conservation and management strategy?

Ms Phillips: Well, I mean, I think the caribou piece has taken up a significant amount of bandwidth in terms of wildlife conservation and recovery of populations. Similarly, we do have a grizzly recovery strategy that is moving along.

We also have very significant challenges with respect to the westslope cutthroat trout in southwest Alberta, whose habitat has, you know, frankly, taken a real beating in southwest Alberta and in the Castle region in particular. The federal government has issued an order. It's the first time, as I understand it, that that's happened for a freshwater fish – yes, that's right – in our area. So we are ensuring that we have a recovery strategy there.

In addition, this budget contains new investment to respond to whirling disease, which is a parasite occurring in trout that has the potential to really decimate our trout populations. That is significant not just for, you know, the tourism, the angling industry and so on but also biodiversity on up the food chain.

So those are some of the pieces of work that have occupied the ministry over the past year since we last met.

Mr. Loewen: Okay. Thank you.

Statement of operations and revenue, page 72. Who oversees the climate change and emissions management fund?

Ms Phillips: Who oversees? Well, the climate change and emissions management fund is overseen by Treasury Board, just as are all of our funds that are different kinds of accounts within the province; similarly, the land stewardship fund, for example, which is also . . .

Mr. Loewen: Does Treasury Board oversee the expenditures from it?

Ms Phillips: Yes.

Mr. Loewen: Okay. How much of it is being budgeted towards that strategy?

Ms Phillips: I'm not sure I understand the question.

Mr. Loewen: The wildlife conservation and management – oh, sorry. No. I was on the wrong line here. Sorry.

Okay. Now, the climate change and emissions management fund: next year it's estimated to receive \$597 million in revenue. That's a 200 per cent increase. How much of this increase is from the five PPAs the government now owns from the Balancing Pool? Does that have anything to do with it?

Ms Phillips: No.

Mr. Loewen: No? Where is that money being received from, then?

Ms Phillips: From large final emitters, from the specified gas emitters regulation that will transition into the carbon competitiveness regulation as was proposed in the Leach panel advice.

Mr. Loewen: Okay. Thank you.

Now, key strategies again, page 69, strategy 2.2 states: "Support Alberta's progress towards a green economy to create new jobs in agriculture, forestry, transportation and construction sectors by providing leadership on adoption of greener technology." Can you provide an example of a green forestry job?

Ms Phillips: I think that what that refers to is some of the new technologies that can be adopted, some of the bioenergy opportunities that exist for the forestry sector, certainly. We have a number of jobs that rely on the bioenergy program that the province has ensured is in place. There are some forestry practices that certainly internationally we see even offset protocols for and so on. We have ongoing conversations with the Alberta Forest Products Association and others on ways that we can make sure that we are doing the best job that we can. I would say that in the short term, you know, around forestry our greatest opportunities are in some of these combined heat and power and other bioenergy endeavours that the government has supported through the climate leadership plan, which also ensure good jobs in the biomass sector.

10:10

Mr. Loewen: Okay. Is there any information that you have on the bioenergy projects and greenhouse gases and emissions and how they're rated?

Ms Phillips: Yes. I believe that is publicly available through the list of projects that were funded through bioenergy. I can endeavour to provide that because I believe it's public.

Mr. Loewen: Thank you. That would be great.

Now can you please provide some information on how the climate change office is working with Agriculture and Forestry to implement the climate change office's mandate?

Ms Phillips: Sure. For example, before the carbon price took effect, we made \$10 million of extra funding available through the Growing Forward 2 program. As I understand, that has been very well received, and we're undertaking to look at ways that we can

continue making those kinds of investments. Farmers, ranchers, and others are all keen to minimize their input costs, and carbon is an input cost. We've had really great success. Really interesting projects have moved forward; for example, the first net zero egg production in Canada, I think, and a number of different investments in the irrigation sector in terms of pivot efficiency and so on.

Another piece that we did do as sort of an adjustment piece, very similar to lowering the small business tax rate or the rebates for two-thirds of Albertans, was the greenhouse adjustment period. We're going to work with them and make a plan for the long-term viability of that industry. Again, their input costs: when natural gas spiked earlier in this millennium, it was really hard on the greenhouse industry. So making sure that we have a good plan for increasing their efficiency, which makes them resilient to some of those commodity price shocks, is a priority for us.

Mr. Loewen: Okay. I'm just going to shift gears a little bit here. Can you provide an update on which entities have been approved to do wetlands reclamation this past year?

Ms Phillips: We do have an update on that. Give me a moment to find it in my binder.

Mr. Loewen: If you want, you can undertake it, too.

Ms Phillips: I think we have it here. We have a bit more information anyway on wetlands. One moment.

Mr. Loewen: Actually, that's fine. Just undertake that one, please, and also undertake: have there been any other applicants that weren't approved?

Ms Phillips: Oh, yes. Absolutely.

Mr. Loewen: Okay. That's great. Thanks.

Let's move on to page 67, key strategy 1.5, the third bullet point. It states: "Strengthen and enhance water management and literacy through . . . continued implementation of the wetland policy and tailings management framework." Last month it was reported that the Alberta Energy Regulator had rejected Suncor's oil sands tailings ponds strategy. How will this decision impact the cleanup of the tailings ponds?

Ms Phillips: I think it's fair to say that the AER has determined that the application or the plan submitted on behalf of that particular operator had some questions associated with it. The operator has undertaken to fill in those blanks, and we await the outcome of that process. I think it's fair to say that the directive sort of preceded us; however, it was a well-consulted directive and supported by the communities, supported by industry, and supported by the relevant First Nations and Métis people. You know, if the plans as filed satisfy the terms of the directive, then we will see a hastened reclamation of the tailings on the landscape.

Mr. Loewen: Okay. Thank you.

Now outcome 2, sustainable economic diversification, page 69. While it's understood that this is for green technologies relating to major industries, will there be opportunities for recreation and tourism projects if they can utilize and develop green initiatives?

Ms Phillips: You know, certainly we've made a few preliminary investments in some of the recreation and tourism infrastructure currently existing in the province, and through the Municipal Climate Action Centre we've also been able to fund some of these

rec facilities and so on who want to undertake retrofits or offset some of their electricity costs through the installation of solar. We've seen this in places like Camrose and, I believe, Leduc. I think it's fair to say that the province is looking for ways to ensure that we continue those kinds of productive partnerships.

Mr. Loewen: Okay. Sounds good.

When it comes to sustainable economic diversification, would outfitting and trapping fit into that?

Ms Phillips: I think it really depends. You know, the Climate Leadership Act indicates that government may invest the funds in tax cuts and rebates, mitigation, or adaptation. Those are the specified uses of the funds. So if there is a GHG-reducing activity or other climate adaptation type activity – for habitat restoration, for example – that might qualify. Certainly, we're having conversations around climate adaptation, ecological goods and services, those kinds of topics, with the agricultural sector. That's been part of what I've discussed with grazing leaseholders both in the forestry permit areas and on public land. So there may be some opportunities there for some creative public policy and making sure that we appropriately support a number of different job-creating activities in Alberta.

Mr. Loewen: Okay. Thanks.

Now, key strategy 3.3 talks about initiating revision of the Alberta fish and wildlife policy to address . . .

The Chair: Thank you very much, Mr. Loewen.

We're now going to move on to a member of the third party. Which one of you would like to . . .

Mr. Fraser: Thank you, Mr. Chair.

The Chair: Would you like to go back and forth with the minister?

Mr. Fraser: Yes, please.

The Chair: Okay. Go ahead.

Mr. Fraser: Minister, thanks for coming today. I know that the file has definite challenges, particularly when it comes to matching the science and trying to reach certain outcomes, particularly for species at risk and whatnot. I just wanted to touch on – you talked a little bit about Ecofitt, and you said that \$1 spent equals \$1.30 saved for Albertans. How did you come to that number?

Ms Phillips: That was in part of the technical analysis that underpinned the energy efficiency panel's report, whose recommendations we accepted earlier this year.

Mr. Fraser: Right. So has there been, I guess, an equation also for every dollar spent by government? How much does government save?

Ms Phillips: That's on sort of a project-by-project analysis. For example, for some of the sort of near-term projects with respect to government infrastructure, if you will, the MUSH sector or quasi-government infrastructure – hospitals, universities, that sort of thing – those investments were made, essentially, on projects that we knew in the short term would in fact reduce greenhouse gas emissions and save costs and that were readily available and essentially just required that small amount of bridging investment in order to not take the least efficient path but the more efficient path.

Mr. Fraser: Yeah. I think you said, too, that with the retrofitting of homes, that green initiative, you felt that that was low-lying fruit in terms of curbing greenhouse gas emissions.

Ms Phillips: That's right.

Mr. Fraser: In terms of low-lying fruit, from a government perspective, how many government buildings have been retrofitted to date?

Ms Phillips: You know, we've taken it on a case-by-case basis. Our approach has been that – well, first of all, we already procure a hundred per cent of our electricity for the GOA from wind. That's been the case since 2006, so that was you guys. So there's that piece.

Dr. Starke: Put a vent on the Assembly and Chamber, and there's all the wind you need.

Ms Phillips: So that exists, and that is why we as a government took a position, just as the previous government provided some certainty to wind developers at that time through, essentially, an agreement with the government, and have now put out a request for proposals to do the same as that contract turns itself over for utility-scale solar, to examine what our options might be there. The industry says that it's competitive, so right now we're in the process of testing that theory.

So that is something that already happens within government. Certainly, as new government infrastructure is built, solar and so on is examined as an option. It's not compatible with every piece of rooftop real estate, but it can be with some. For example, I know there is some at the Lethbridge Provincial Building.

10:20

Mr. Fraser: Okay. So not all government buildings have been retrofitted?

Ms Phillips: No, not at all. Certainly, you know, in other jurisdictions that is something that is undertaken. I know I've visited a number of different places where they undertake that work. I think we have some to do in our province. However, I also think we take the view that we want to make sure that we're investing in Albertans, in smaller scale projects, in low-income housing and those kinds of projects whereby you get, potentially, larger GHG savings and you've got more distributed benefits across the province in terms of local contracting and so on. That's been really important to us, that as we make these investments, they're not just focused on, you know, government buildings in Edmonton, that we really put a premium on reaching Albertans and making life more affordable.

Mr. Fraser: Yeah. Well, Minister, I'm glad that you mentioned some of the good work that we did before you guys came along. I just wondered if you maybe wanted to clarify your statement on environment in terms of investment. You did mention that the previous government did invest in wind. There were partnerships with industry to see those initiatives through, particularly when they weren't – you know, there wasn't much of a cost benefit back then. It was more expensive to own and operate those things. So if I look back at the 2013-2014 budget for Environment, it was \$634 million, and your projected budget for 2016-17 is \$576 million. I just wondered if you wanted to maybe clarify that the previous government did fund appropriately, especially during the '13-14 floods, to make sure that we mitigated that.

Ms Phillips: Well, the '13-14 piece, of course, did reflect some of that response to the southern Alberta floods. There's no question about that.

I think what we find in Environment is that in specific areas you may have seen some program reductions that, you know, led to consequences. That is certainly something that I have seen. It's not in every area but in some areas, particularly in operations and enforcement. Those are areas where I think we can do better. So that's what we've tried to do, as the hon. member points out, within the context that Environment has essentially kept its budgets relatively stable. We do that because we want to make sure that we're just moving priorities around internal to government and keeping that rate of growth in the overall government budget to within reasonable limits.

Also, previous budgets in and around '13-14 contained some of the disaster recovery program funds from the feds, and it wouldn't have been just the floods. It also potentially was the Slave Lake fire as well, depending.

Mr. Fraser: Right. You do mention a lot about – and I do think it's important as we move ahead on this file. Certainly, science is a key component, understanding the science and understanding new technologies. I think that's what we've seen when it comes to LED lighting. It's much cheaper to purchase that now, so it's probably a bit easier for government to take on those tasks, certainly, around Ecofitt.

When it comes to science based, where does the ministry compile this information? I know that with the species at risk, it's actually a legislative body, the Canada accord for the protection of species at risk. There's a group of people, scientists and universities, that come together. Within your ministry, outside of that particular piece, species at risk, where is your ministry compiling the science and getting the data so that we know that, respectfully, your initiatives are science based, not steeped in kind of an ideology, you know, kind of going it on your own? I'm just wondering if you could also tell me how many full-time positions occupy that part of your office to make sure that they're compiling the science.

Ms Phillips: On wildlife policy we've got two spots. We've got the fish and wildlife branch, who are tasked with – of course, we update the hunting regulations every year to reflect what is actually happening on the landscape in terms of wildlife counts of various kinds in each individual wildlife management unit, which is what, of course, then presages decisions on how many tags are issued, seasons, those kinds of decisions. That's in the fish and wildlife branch, and I'll let the deputy talk a little bit more about what goes on there.

The other piece of it is the environmental monitoring and science division. Hon. member, you've just hit on one of the reasons why we brought the monitoring and science division back into government. It was to ensure better co-ordination between what is going on in the monitoring side, in particular in the oil sands region, where we have had a number of international reputation challenges and so on, so that that work is better feeding into how we make water, air, land, fish and wildlife policy and to have a little bit better integration there while maintaining the independence of the Science Advisory Panel and the office of the chief scientist.

Mr. Corbould: I would just add, Minister, through the chair, that I would say that the scientists are everywhere in the department. We have some in the policy section, we have some in the operations section, and certainly a lot in the science and monitoring division. That's important because we have to have scientists in the field as

well. For example, the work that's being done on caribou: we have lots of scientists in the field doing that.

The important piece to mention, in addition to what the minister said, is that with the advent of the chief scientist now being in the department, over the past 10 months since he has been in the department, he has conducted a rationalization of the science throughout the department, one, to make sure we've got the right scientists in the right positions; two, to make sure we don't have overlap or scientists doing the same jobs in different places; and three, making sure that it's the right scientific integrity, that he's charged with providing based on the legislation that the government approved.

What that means is that Dr. Fred Wrona is sort of going around rationalizing this, making sure we've got the right scientists doing the right work, and scientists who were doing work previously are now conforming to a standard that includes things like peer review with other scientists in the country, that we didn't have before. So in terms of getting to the actual science of it, it really has reinforced and strengthened that. Of course, the chief scientist is protected under the legislation to provide that scientific advice unfettered and uninfluenced.

Mr. Fraser: Right. When it comes to the negative health effects of air pollution and those sorts of things and how your government has kind of tied that, you know, to respiratory rates and whatnot, with the performance measures, how are you tracking those? Are the performance measures being developed to evaluate the actual impact of coal pollution on health, and what are you using as a baseline to determine that and the impact of shutting down coal-fired electricity plants?

Ms Phillips: Sure. The analysis that underlines the health effects of coal pollution is the analysis that was published by Environment Canada when the previous federal government introduced their coal regulations. A number of different organizations in conjunction with medical organizations have updated that analysis since then. It was published – well, it was gazetted, if you will – when those regulations were brought in by the previous federal government. That's the analysis that shows the estimated health effects and the health costs in terms of the costs to our health care system. So that's where that analysis comes from.

Now, in terms of ambient air quality standards we participate, obviously, at the FPT table on the Canadian ambient air quality standards, which are designed to over time become more stringent as best technology becomes more economically achievable. We evaluate from our air monitoring stations at point source – and we have also funded some other non point source activities over the last budget year – to get a better sense of how we are measuring up to the CAAQS standards and what our plan is as the Canadian ambient air quality standards become more stringent over time.

10:30

I think it's fair to say that Alberta, through monitoring, can – we have to make those investments. We have made those investments, certainly through the approvals process as well as that new projects have to roll over their approvals so that we can address some of these, and we have a work plan to support that.

Mr. Fraser: Again, just kind of on that, I know that the deputy minister – who, by the way, I'm very fond of and who was excellent in helping me during the floods. Good to see you. Who overrides the minister? Is it always the scientist, or can the minister override the scientist when it comes to initiatives?

Ms Phillips: On monitoring, the Science Advisory Panel reports to the public in the law, and the minister must appoint the Indigenous Wisdom Advisory Panel as well. We did that because, you know, there were good things about the previous monitoring agency. Part of it was the independence, and we wanted to retain that. But what we didn't want to retain was the extra layer of executive pay, the extra administrative costs, those kinds of things. So when we brought in Bill 18, the monitoring act, last year, that was the balance that we sought to strike.

Mr. Fraser: Okay. Speaking of science, I just want to move over to the Springbank dam, around the environmental impact assessment. Obviously, there have been lots of objections from the Tsuut'ina and other affected communities. Can you fill us in on the Springbank dry dam and whether that environmental impact study has been completed or not?

Ms Phillips: Well, I think we need to be a little bit careful here, hon. member, just because a number of assessments were done previous to the government making the decision that they were going to move forward with the project, and now Alberta Transportation has become the proponent of the project. Because it's a joint review panel, Environment and Parks essentially becomes the regulator in this case, so we want to be careful about this in terms of how we proceed. I think we can go over all of the pieces that our department undertook prior to taking the decision to move forward with this particular project, including all of the engagements with Tsuut'ina. We can undertake that as a follow-up. I know that the information is public, but we can provide that to you.

You know, in taking the decision on moving forward with SR1 as opposed to the other project, the environmental impacts were key to that decision. The McLean Creek project as proposed would have involved quite a bit more lengthy environmental impact assessment work given that it is in habitat for grizzly bear and some of our native trout species that we've now had orders on. Plus, the structure of it would have taken longer to construct and potentially had more failure during construction, risks associated with it. So that's why we took the SR1 decision.

Mr. Fraser: Right. So can you give us a status on the funding of the Springbank dam, specifically with regard to money set aside for the environmental impact studies, compensation for affected landowners, and consultation with communities?

Ms Phillips: I'll defer to the deputy for that.

Mr. Corbould: There is a line item in the capital budget for Springbank, and it does come out of the Environment and Parks budget. We then give it to Transportation to execute the project because they're the proponent. So it really is Transportation who does the environmental impact assessment, who prepares everything in preparation for what will eventually be an NRCB hearing. That's all Transportation as the proponent. There is one line item in it that tells you how much is being spent on the overall project, but Transportation really should speak to the other pieces.

If I could just get back to the one question I didn't answer about the chief scientist, if that's okay.

Mr. Fraser: Sure.

Mr. Corbould: There is no overriding either way. The minister doesn't override the chief scientist; the chief scientist can't override the minister. It doesn't work that way. The chief scientist provides

scientific evidence, advice, and consideration, and the minister considers it. So there is no overriding either way.

Mr. Fraser: Right. Okay.

Mr. Corbould: The legislation wouldn't allow for it.

Mr. Fraser: Yeah. Good.

Mr. Corbould: Sorry. And then just the number on Springbank: the estimate for '17-18 is \$35 million for this year, and of course it's a three-year projection rate now with \$35 million this coming year, \$75 million, and then \$25 million. So somewhere in that \$35 million would be the funds to do the EIA that Transportation is doing. But you should ask them.

Mr. Fraser: We've obviously seen some impacts from floods and forest fires, but quite honestly I think we would all agree that a major drought crisis is more likely to come upon us more than anything else. Can you provide us with some information on protection around drought and irrigation measures that are being undertaken, you know, as they're outlined in your business plan, specifically in regard to funding these projects, for the folks that face drought – and we will likely face that before any other catastrophe – so that that's actually being funded appropriately?

Ms Phillips: Sure. I will just speak to my colleague Minister Carlier's estimates for a moment. I believe there is \$19 million a year of investments in irrigation infrastructure. But moving back over to Environment and Parks for a moment, that's where a number of these water infrastructure investments play a dual role in many cases. In particular, the watershed resiliency and restoration program holds water on the landscape. What that accomplishes is that it is not just all washing through, that when you do that in the headwaters and elsewhere, you are ensuring that you've got streams fed through groundwater and so on.

That is certainly part of the approach. It's certainly part of the approach as we examine a climate adaptation framework that works for rural landowners, municipalities, grazing lease holders, and others, and it is part of maintaining our water infrastructure properly. Certainly, some of the conversations around the management of water in the Bow: there's been sort of a multistakeholder process with TransAlta and municipalities and others, and it's for dual purpose, both for examining the drought implications and also the flooding and the aftermath of 2013.

Mr. Fraser: Thanks for your time.

The Chair: Thank you very much, Minister.

We will now take a quick five-minute break and reconvene at 10:43.

[The committee adjourned from 10:37 a.m. to 10:44 a.m.]

The Chair: Okay. We'll reconvene. We're going to go on to the independent member in the room.

Dr. Swann, we'll turn it over to you for 20 minutes. Would you like to go back and forth with the minister?

Dr. Swann: I would. Thank you.

The Chair: Okay. Please proceed.

Dr. Swann: Thank you, Minister and staff, for joining us today. Always a pleasure to hear from you directly and to have the opportunity to talk about just whatever is percolating in our

constituencies, in our province, and certainly in this important, important ministry that we all depend on so much.

I want to congratulate the minister and the ministry on their climate leadership plan. Very bold. It's challenging many of the sacred cows in our province that we can do both. I want to congratulate you on the Castle parks and wildland. I think that was another important not only conservation effort for Albertans but also an economic driver and an opportunity for tourism.

I was pleased to see the flood protection and mitigation initiatives, especially the WPAC supports. These folks are doing amazing work in our communities to monitor and plan better our use of water in the communities.

As a fly fisherman I was pleased to see the efforts on the westslope cutthroat trout in the south Livingstone area.

I have some questions that relate to a number of issues, that I've raised with the minister either privately or elsewhere, that have to do with using good science in the park to assess how much more linear disturbance we're going to allow. The science suggests it's .6 per square kilometre. We've already exceeded those limits in the Castle park area.

I'm pleased you're doing the off-highway vehicle review again. There's controversy there. I think we have to find a way to enable off-highway vehicle use in some areas of our eastern slopes, but the park is not one of them. I think that traditionally we have not allowed OHVs, and it's already exceeded the scientific estimates for what is safe there, so I hope you'll stand firm on the park. The wildland is another issue. I don't know what the numbers are there, but I hope you'll stay with the science-based decision-making and find accommodation for this economic and recreational driver in our province. It's just a reality. We have, I guess, more in Alberta than any other place in the country, and they're part of both an economic and a political force in the province.

Do you want to say something about where we're at with that consultation on OHVs?

Ms Phillips: Sure. I mean, the Castle draft management plan has been extended for public consultation till April 20, which necessitated a one-month extension of the First Nations consultation window as well. What we have done, based on some of the feedback that we received, is to provide additional clarity as to what year 1 might look like or a proposal for what year 1 might look like and also provide the opportunity for the public to examine things like hunting access and winter versus summer access. There were a number of other different pieces: the grazing lease piece, the grazing forestry permit piece, which is a little bit different than a public land lease. So we've provided additional clarity on that, and that consultation process will wrap up in terms of the general public piece, with the survey and all of the other elements, on April 20. There'll be an additional month of indigenous consultation that will occur.

It is our goal for this upcoming camping and recreation season that we provide clarity, at the very least, as to what year 1 looks like so that we can ensure that people are enjoying themselves. Right now, in terms of the particular off-highway vehicle piece, year 1 would contemplate simply that the illegal trails in the wildland park portion are closed. The trails within the provincial park remain open. That is the piece that over time would be phased out. Right now what is contemplated is a three- to five-year window. That's what the proposal is in the draft management plan.

As for unregulated camping the proposal is that over time – and in year 1 there would be no change other than an increased enforcement presence – we would transition to where it would still remain rustic camping. One could still access it with an RV, but it would be in places where it is most compatible, where garbage and

other things can be a bit better managed, and where it is most compatible with other uses on that landscape, in particular grazing, because we have seen some conflicts there just simply as a result of the sheer number of people who access that area in an unregulated way. It's over 1,000 on many weekends, without any infrastructure supports, right? So you get a lot of ruts and, you know, makeshift roads and maybe other things like firewood that shouldn't be cut down, that kind of stuff.

10:50

Dr. Swann: Thanks very much.

I've raised this issue with you before, gravel extraction in Alberta. We're, I gather, the largest gravel aggregate developer in the country. Controls are limited. We're now seeing gravel extraction in flood plains. This has not been allowed in previous years up until, I gather, 2012, when things became relaxed or inconsistent between municipal government decision-making and Alberta Environment. There's a lack of enforcement staff. There's a lack of flood mapping to define what extraction would look like on a flood plain. It seems that it's out of control, in many people's opinions. How are we going to resolve that, and where is the budget item that would address some of the monitoring, enforcement, reclamation issues, cumulative impact assessments?

Ms Phillips: Hon. member, I will defer to the deputy to provide some updates on sand and gravel from both a policy and planning perspective and also the operations division.

Mr. Corbould: Thanks, Minister. Mr. Chair, I would just start off by saying that some of what you said has certainly been the case. We're addressing it. I actually met with the Alberta Sand and Gravel Association yesterday, and we've been working closely with them to put more emphasis on compliance, approvals, and how we do those things. In terms of extractions, we are putting controls on extractions close to watersheds and moving towards a 200-metre separation, looking at flood plain analysis.

On the mapping of flood plains, the priority has been the urban centres across the province for obvious reasons, because that's where people, you know, can be killed in these events. Since the 2013 flood we've mapped as much of the province in these five years as we did in the 30 years before the 2013 flood, based on the plans that have been approved. So we are getting to all of that.

Alberta Sand and Gravel is also as an association wanting to deal with these issues. We've talked about the enforcement mechanisms that we want to use to ramp up compliance. They have also expressed an interest in being part of that regime. They want to self-regulate, in many ways, a lot of their folks in the industry because they believe in what we're doing and what some of the objectives are.

In terms of the specific question on budgeting, it is embedded in both the policy staff and the ops staff. It's things they do. For an ops staff, it would be the compliance managers in each of the regions. We could dig out the numbers, but they're kind of embedded because they do compliance on different things as well.

It is a priority for us. We are fixing it. From a policy perspective, the industry is going to see some more directives and policy from us that provide greater controls.

Dr. Swann: But how are you dealing with the conflict with the Municipal Government Act?

Mr. Corbould: In terms of?

Dr. Swann: Well, the municipalities now seem to have control over watercourses and gravel in their jurisdiction. I don't understand

how you can allow that and have a consistent approach to water protection. With municipal governments making some decisions and you guys making some decisions, who enforces? Who follows up on the reclamation?

Mr. Corbould: I would say that it's a partnership. The changes that have been made in the MGA from a municipal perspective are positive in that they're empowering the municipality to get to this stuff sooner rather than later. In previous cases they were slowed or prevented from doing anything in some of the urban areas. So we think that's a positive change.

From a standards perspective, we don't see the standard of quality being impacted because I believe, you know, there's an agreement that the provincial standard is still the standard. What people do in the urban areas and the municipalities to help deal with that standard is another thing, but it doesn't change the standard. It's just who's allowed to go in there and deal with it. I would argue that in many cases it is empowering and does give them – they can do action now that they couldn't in the past. They used to have to wait for us in some circumstances.

Dr. Swann: In many cases they don't have the expertise, from what I hear.

Mr. Corbould: No. But that's contingent. What they're allowed to do is based on the expertise they need to have.

Dr. Swann: So are you working closely with municipal governments and the Municipal Government Act to try and reconcile some of the ambiguities and gaps?

Mr. Corbould: You know, in terms of pits, the province has, from a gravel pit perspective, a code of practice that has to be followed by all pits no matter if they're municipal or not. There are still standards in place by the province that have to be followed, and we will work, from a compliance perspective, to make sure that that's the case. But I don't think there's too much reconciling that has to happen because we have these codes of practice in place that municipalities will have to follow.

Dr. Swann: Well, I guess I haven't heard lately of many enforcement actions on gravel pits. What does that say?

Mr. Corbould: Yeah. I mean, we can perhaps share with you more of the compliance activity that's happening. It is a difficulty. There are a lot of gravel pits, and there are a limited number of staff, which is why we're working closely with the association to do some activities.

The other thing I would say is that we're actually doing some education. We participated in a seminar at the Alberta Sand and Gravel AGM, that was very well attended, to talk about how you submit requests and how you deal with compliance. I do sense from the industry a desire to be compliant. There's a professional desire. We're helping with their education plan directly, and they seem to be listening. I mean, it was one of the most well-attended sessions at the AGM, a free one that was provided by the government of Alberta.

Dr. Swann: Thank you.

I want to shift to chronic wasting disease. I've raised it repeatedly over the last 10 years with both Agriculture and fish and wildlife. We're reaching a critical point, I think, in North America, where the spread of wasting disease, from Saskatchewan particularly but northern states as well, and the lack of control measures are threatening our wildlife. First Nations people are increasingly

restive about this. That is often one of their main sources of protein. They see the kind of massive culling that has to happen when a single case of CWD is found. Saskatchewan is particularly weak in their control measures, so we're paying the price here in Alberta even though we have had no recent involvement with the game farming industry, although that's the source of the CWD, widely recognized.

Prion disease is now – the prion itself is now found on grain and living in plants. This is a potential threat to the whole agriculture industry, whether we're talking about tourism and hunting and the viability of our wildlife or we're talking about the real threat to agriculture and the potential for boycotts overseas, when we see evidence from the science that prions have been identified on grain and living in plants. When are we going to get serious about having a national conversation, at least an interprovincial conversation in the west, about getting this under control?

Ms Phillips: Certainly, wildlife disease was on the agenda at the last federal-provincial-territorial meeting, where we met to discuss parks and conservation areas, caribou recovery. The ministers also discussed some wildlife disease and invasive species matters and some interprovincial co-operation as well as, I think, a more substantive presence by the federal government, which we are now seeing as a result of, you know, the fact that they've now been there for a year and are moving on to ensuring that we've got our biodiversity and other initiatives properly funded from their perspective.

Alberta has monitored occurrences in wild cervids continuously since 1998, and we have mandatory testing in eastern Alberta, from Cold Lake south to the U.S. border. It's voluntary in other locations throughout Alberta. There were a little over 5,000 animals tested in the '16-17 year. There were 179 positive cases of CWD detected and confirmed, and those were 154 mule deer, 23 white-tailed deer, one elk, and one deer of an unknown species. It was detected in 3.5 per cent of the total number of heads tested compared to 2.4 per cent in '15-16.

11:00

The predominance of the disease is in mule deer and in males. It appears as well that it is clustered in local populations in specific areas on specific watersheds. To manage this, staff are ensuring that we reduce the density of mature male mule deer in specific areas and specific wildlife management units to lessen the probability of infection and slow westward progression. This is an annual monitoring undertaking of the fish and wildlife branch of Environment and Parks, and we are ensuring that we are reducing the deer densities in those particular areas.

Dr. Swann: Is there a national plan?

Ms Phillips: I think it's fair to say that there is not yet a national plan or a pan-Canadian plan, if you will. The federal government has not come forward with a national plan. While the matter has been raised at the federal-provincial-territorial table, it was not moved into pan-Canadian framework type territory. There was some interjurisdictional co-operation happening on the matter, however.

Dr. Swann: Thank you.

I'm in a flood plain myself in Calgary, and I get quite a number of questions from constituents about upstream management and plans for the Bow River. Can you comment on what is being considered as far as water containment upstream of the Bow from Calgary?

Ms Phillips: Yes. We have undertaken a number of these technical engagements with irrigation districts, with TransAlta themselves, landowners, and others, and those conversations are continuing. We have made some changes and so on.

I will allow the deputy to fill in the blanks there.

Mr. Corbould: Thanks, Minister and Chair. I would say that there's a lot of good activity going on right now, especially with the collaboration we've had with TransAlta, where we manage the flows from a flood protection but also from a drought consideration perspective. I think what I was most pleased with last year is that we created a weekly working group. There's a meeting now where irrigation districts, the city, TransAlta, municipalities that are affected actually discuss the flows every week and make a decision together. The government of Alberta has essentially a veto, if you will, in the agreement to make a final decision, but part of that is that we make sure that all the right people are at the table. That was very successful last year, and it was kind of managed the same way that the water shortage was in southern Alberta, where you had these weekly sort of task force meetings that included everybody. That was new last year and probably the most success we've had in terms of managing the Bow and I think will be very successful as we move on to the future.

Dr. Swann: It's my understanding that we don't have the capacity to manage a similar event to 2013 with the current infrastructure.

Mr. Corbould: We believe we do . . .

Dr. Swann: Without anything new?

Mr. Corbould: . . . based on that management plan that's going on. Of course, from a Bow perspective, that's one thing, but the greater risk from 2013 was the Elbow. Of course, we're doing a ton of things there from an infrastructure perspective, so I think we're in, actually, a good position to manage this.

Dr. Swann: With respect to the Springbank dry dam, what's happening there?

Ms Phillips: Well, as I indicated, perhaps, hon. member . . .

Dr. Swann: Sorry. I missed it.

Ms Phillips: I'll try to be brief, then. That particular project is the subject of a joint review panel and will eventually become the subject of an NRCB hearing. The proponent is Alberta Transportation, and that is their role. We do provide funds to Alberta Transportation that are contained within this year's budget estimates in order to be able to undertake the EIA and other related activities.

Dr. Swann: Thank you.

I have a constituent who does pipeline leak assessments and feels that we have made no progress on small leaks, low-pressure leaks, in Alberta in 35 years. We average one leak per day in Alberta, most of them small, and they're all preventable, as far as he is concerned, with an appropriate review of corrosion . . . [A timer sounded]

The Chair: Thank you very much, Member.

We will now move on to 20 minutes with private members of the government caucus. Please go ahead.

Mr. Rosendahl: Thank you, Mr. Chair. We would like to share our time equally with the minister. Good morning, Minister and staff. The questions from the government caucus are going to be shared

equally between myself and Member Kazim. I'll start the questions first.

I would like to start off by asking questions about Alberta's air quality, which is very important. In the government estimates on page 128 – I'll let you find that – what we're looking at is line item 2. We see that the air-related expenditures have largely held the line at around \$17 million. The question is: how is this money being used to ensure Alberta's air quality is properly monitored and up to standards?

Ms Phillips: Thank you, Member. Members may note that there is a bit of a budget-to-estimate variance from '16-17 to '17-18, and that is slightly lower due to prior year reductions to manpower and supplies and services as well as reductions to the employer contribution rate from the management employees pension plan, so there are some efficiencies that we have realized within government as a result of that decision.

We've also reallocated some program funding to the climate leadership plan and the air quality health index credit recovery program. That certainly has ensured that we can invest public funds appropriately to ensure that our air programs are operating well. There is also air-related work being undertaken through the environmental monitoring and science division and, as I indicated, through the climate change office in terms of some of the measuring, reporting, and verification activities that they undertake.

As I indicated earlier, on Alberta's first Canadian ambient air quality standards assessment, which is part of an initiative from the federal-provincial-territorial table, we released that assessment report on September 9, 2015, and a number of work plans and associated investments were made as a result of what that initial CAAQS assessment revealed, which is that we have some airsheds where we need to – if we do nothing, in the absence of action we will end up with some air quality concerns. I believe one of our air quality scientists described it as: it was kind of like getting a high blood pressure reading from your doctor. It is not of immediate concern; however, one must take action in terms of some kind of work plan in terms of lifestyle change. That was what that assessment essentially indicated to us, so we've made, you know, appropriate investments and monitoring infrastructure and so on as a result.

Mr. Rosendahl: Okay. Thank you, Minister.

Again, on the same topic of air quality, I'm looking at line item 2.3, air quality management. We see a slight decrease from the 2016-17 forecast compared to the 2017-18 estimates. I was wondering if new air monitoring stations have been installed in Alberta to ensure that air quality standards are monitored and maintained as it's very important that we continue with our air monitoring strategy.

Ms Phillips: Yes. Thank you, Member. We have, through the new environmental monitoring and science division as well as our partnerships with the airshed associations, continued to invest in air quality monitoring. I know that a few months ago I attended the opening of a new monitoring station in St. Albert. That was something that the community had asked for for some time and that the government of Alberta invested in, a fixed monitoring station. We have two different types of monitoring that occur in air monitoring. There are the fixed stations, and one can get readings on your phone from the Alberta air quality health index. There's an app that I certainly used to look at quite a bit during the Fort McMurray fire. You know, obviously, there were a lot of air quality exceedances during that event. Albertans can access that information on that app.

11:10

Then we have mobile monitoring units, certainly, in the event of environmental emergencies. For example, for the Fort McMurray fire we moved mobile monitoring into those areas so that Albertans could have a real-time assessment, not just for, obviously, the people who live there or the people who were being evacuated but also for the workers and all of the first responders. We needed to, obviously, ensure that we were taking the appropriate steps to safeguard their health and safety as they helped us respond to that particular event. That's the kind of infrastructure that our investments in air quality support.

Mr. Rosendahl: Okay. Thank you.

To continue with the air monitoring issue, the question I have is: how has passive air monitoring affected the cost and the efficiency of air monitoring programs?

Ms Phillips: We're looking at a few different areas of some improvements, some new partnerships and so on, or at strengthening our existing partnerships with airshed alliances. We're trying to do that in order to do things like fill knowledge gaps. When we do enhanced monitoring studies such as what we're doing in the Red Deer area right now, we're doing that in order to improve our knowledge of the PM_{2.5} situation. We've got a temporary facility there that's been added to an area called Horn Hill, which is about 40 kilometres south of Red Deer. What that will do is help us make better management decisions in partnership with the airshed organization there.

We've also got different kinds of monitoring. It's called speciation monitoring, which will determine the composition of that particulate matter. It will help us then have a management response plan if we can better understand the genesis of where that particular PM_{2.5} is coming from.

Another piece where we're endeavouring to do a little bit more and ensure that we have a better work plan is the action on industrial emissions. That is being developed with stakeholder engagement, again, in the Red Deer-North Saskatchewan region. That's focused on the AER and AEP approval holders and the code of practice registrants. I referred to some of the work we're doing around air quality and through the approvals process earlier.

We have also funded the Alberta Airsheds Council to deliver some interactive communication tools and a web page to share information on fine particulate matter to airsheds, the public, and other key stakeholders such as municipalities. They will be receiving another \$50,000 to deliver a social media campaign on air quality and on fine particulate matter. We think it's very important for all Albertans to have up-to-date information, which is why I mentioned the app, in particular for vulnerable populations. What we see is that the very young and the very old, essentially, are more likely to present themselves in emergency rooms with respiratory complications. Having access to air quality data can really improve quality of life for a number of people, especially if they have various health care complications, and they can better plan and can have access to the right kinds of information in terms of asthma episodes, COPD, and other ailments.

Mr. Rosendahl: Okay. Thank you.

I'll now turn the next set of questions over to Member Kazim.

Ms Kazim: Thank you very much. Thank you very much, Minister, for your time today and joining us at the committee. I would now like to ask some questions about another very precious resource in Alberta, water. Again on page 128 of the government estimates, line item 4, there are significant increases, around \$10 million, to water

management and flood adaptation. Could you please tell me what these funds will be used for exactly?

Ms Phillips: Sure. The \$10 million increase for the wetland policy dedicated revenue – we do have a dedicated revenue stream here – is partially offset by a \$2 million reduction to funding for the watershed resilience and mitigation branch, a \$0.1 million decrease due to prior year reductions due to the lower employer contributions under the management employees pension plan, as I discussed earlier. The estimate is \$6 million higher due to \$6.4 million for the national disaster mitigation program, which is the federal program, \$2.2 million of which is dedicated revenue. We also have in terms of the budget actuals a \$6 million increase as a result of realigning the budget with the department spending requirements on dam operations.

Ms Kazim: Okay. As we know, the 2013 floods in southern Alberta – and actually I was one of the victims as well of those floods – were traumatic, momentous, and still have repercussions to this day. I was hoping you could tell me how much more money is offset from the 2013 floods in southern Alberta to create a more proactive approach to flood mitigation projects.

Ms Phillips: Sure. Thank you. We have the community resilience program, with an annual budget of \$57 million, and the watershed resiliency and restoration program, with an annual budget of \$3.5 million. The ACRP provides for the development of the longer term resilience to flooding through the design and construction of projects that enhance or enable the protection of critical infrastructure from flooding; for example, some of the upgrades to water treatment facilities to move their intake to make them better able to respond to high-water events or upgrades that will help them better manage fast flows of water. As we know about and as we adapt to climate change, we're going to have to get used to either longer periods of drought or when the water comes too much, too fast. That's what we have to continue to invest in.

Many of the ACRP projects are in smaller communities, where they do need those investments in the water treatment facilities. For example, we've had a number in the city of Medicine Hat. We've funded them to the tune of \$7.2 million for a number of their overland flood protection and water intake improvements, as I mentioned.

We have also funded a number of city of Calgary initiatives, because it's not just about the Springbank project, in order to be able to better protect the citizens of Calgary and a million people and ensure that we don't have a repeat of what was then, I think, Canada's largest or most costly natural disaster, which was then replaced by the Fort McMurray fire. We have committed about \$40 million to ACRP-funded projects in the city of Calgary. That's some berms, some elevated hoists, some permanent flood barriers for particular roadways, and some stormwater outfall improvements, again, which go to the maintenance of basic health and safety and water quality during major flood events.

Ms Kazim: Thank you very much for the answer and all the details.

I'm curious: why are there no direct expenses listed as flood recovery in Budget 2017? Are flood mitigation monies under a different program?

Ms Phillips: The ACRP funds are now administered as capital grants so that the municipality in question has responsibility for upkeep and maintenance and so on. Most of the 2013 pieces have now concluded in the '17-18 budget year. Of course, there are some larger scale projects such as the SR1, which E and P continues to fund the process for. We transfer those monies over to Alberta

Transportation. One will find the flood investments on line 4.4 under flood adaptation.

Ms Kazim: Okay. That's good.

As we are aware, the government has various grant programs such as the Alberta community resilience program and the watershed resiliency and restoration program, which aim to support the development of long-term resilience to flood and drought events while supporting integrated planning and healthy, functioning watersheds. What types of projects are funded through these grant programs?

11:20

Ms Phillips: I've spoken a little bit about some of the ACRP projects so far in places like the town of Cardston. For the town of Claresholm that was a \$5 million project; the town of Drumheller, a \$6.4 million project; the town of Nanton, some upgrades to their water pump station, \$693,000; the town of Okotoks, \$1.6 million; the town of Pincher Creek, \$1.5 million; the town of Raymond, \$1.4 million. For Penhold it is \$1.5 million. Those are for the ACRP basic infrastructure.

Now, there are two different ways that one delivers projects to adapt to more frequent and severe water events, flood events. One is through, you know, these projects, which is what Mayor Nenshi calls brute force mitigation: berms, dikes, that sort of thing. But there is also a lot of work to be done, very interesting work, science-based work, in terms of holding water on the landscape. I spoke about this a little bit earlier. That's where the watershed resiliency and restoration program comes in in partnership with some of the work that the watershed council has undertaken. It's one of the reasons why we tried to put the watershed councils on a predictable three-year funding model, so that they could undertake some of this planning and partnership.

We fund the watershed restoration program as well. Those are really designed to ensure that we minimize erosion, linear disturbance, that we restore riparian areas in order to keep water where it's meant to be, which is in the headwaters, which are in the eastern slopes, which then provides the recharge, if you will, to the groundwater supplies properly feeding streams and creeks and so on rather than just all simply washing into the river system and then washing through our big cities on its way to Hudson Bay.

Ms Kazim: Okay. Yeah. Thank you for that.

As a supplemental, specifically how much money is allocated to the Alberta community resilience program for community-level flood mitigation projects?

Ms Phillips: ACRP is a 10-year, \$531 million program, and it's open to all rural and urban municipalities. It's open to First Nations governments. It's open to improvement districts, special areas as well. We've had to date 40 projects receiving funding, totaling approximately \$109 million in grants.

We have also undertaken a specific commitment to the city of Calgary. In and around the time that we moved the decision on Springbank forward, we also made a commitment to them of \$150 million in ACRP funding dedicated to the city to be distributed at \$15 million per year over 10 years so that they could also ensure the appropriate planning, going forward, given the magnitude of the 2013 flood and the effect it had on the whole Canadian economy, let alone Alberta.

Ms Kazim: Okay. Again on the same program, what communities are eligible? I think it kind of overlaps with my previous question. Is it limited to municipalities only, or can any community apply for it? Is there any restriction on any community?

Ms Phillips: It is First Nations communities, improvement districts, special areas, which, of course, we have in southeastern Alberta, and municipal districts and counties and urban municipalities. What the department does is that there is an intake of applications, and the department works with those municipalities to work through some of the details of the grant application to make sure that it conforms to the objectives because municipalities have varying needs. We want to make sure that the department ensures that the projects are evaluated according to very clear sets of criteria and that that information is widely understood by whatever municipal organization is applying.

The Chair: Thank you, Minister.

We'll now go back to the Official Opposition.

Mr. Loewen: Energy Efficiency Alberta: there's \$185 million that's budgeted there. Could you provide a breakdown into the four programs that are run by Energy Efficiency Alberta?

Ms Phillips: There is, of course, the residential no-cost installation. There are the residential rebates. There are the business, nonprofit, and institutional rebate programs that will be moving along very soon. There is the solar rebate program that has moved along, and as the efficiency agency is stood up . . .

Mr. Loewen: What I would like to hear is the breakdown of the \$185 million by program.

Ms Phillips: Not all of it is allocated quite yet because we have just stood up the agency. Our CEO has not even started. We have appointed a board.

Mr. Loewen: Is any of it allocated yet?

Ms Phillips: Certainly it is.

Mr. Loewen: Could you just undertake to provide what . . .

Ms Phillips: We can undertake it.

Mr. Loewen: Yeah. What's been allocated so far and what's unallocated also, please.

Now, as far as the RFP for the Ecofitt contractor, the residential no-charge savings program, bid program, the RFP doesn't give a lot of information on that. Could you provide a copy of the bid package?

Ms Locke: Yes. We can undertake to do that.

Mr. Loewen: Okay. Would it be possible to have that for all members of the committee prior to the next set of budget estimates, which is tomorrow morning? I presume it should be just a matter . . .

Ms Phillips: I wonder if Assistant Deputy Minister Fernandez could come to the mike, please.

Mr. Fernandez: Good morning. Mike Fernandez with the climate change office. Yes, we could undertake to provide a copy of that later this afternoon before close of business.

Mr. Loewen: Perfect. Thank you very much.

Okay. Going on to flood mapping, again, under Water, are you still on pace to finish the flood mapping by 2017?

Ms Phillips: I'll defer to Deputy Corbould.

Mr. Corbould: Thanks, Mr. Chair. Flood mapping will never end. I guess that is what I would say. It goes on forever and needs to go

on forever, but we are on track with the current allocated program and priorities we have from government. When that's done, I expect that we'll be looking at a whole different set of priorities. As was mentioned earlier, there's some need to do more flood mapping for gravel deposits and make sure we know what those complications are. There is an established flood mapping program that's funded to a certain point, but if we're doing this right, we'll never stop flood mapping in the province of Alberta. We'll keep on updating and moving to the next priority.

Mr. Loewen: Okay, but I believe there was, you know, a time frame that was established of being done by 2017.

Ms Phillips: For those priority areas that had been identified.

Mr. Loewen: Yeah. So are you on pace to finish that by 2017?

Mr. Corbould: Yeah. We are essentially on pace for that, and we'll have other priorities afterwards. Like I say, you know, we've done more flood mapping in the five years since the 2013 flood – we've done a similar amount of flood mapping as we did in the 30 years before the 2013 flood, so we have definitely picked up our speed and momentum on flood mapping in the province.

Ms Phillips: Fort McMurray started in September 2016. There'll be 40 kilometres of the Athabasca, Clearwater, and Hangingstone rivers through Fort McMurray that began in September 2016, and five additional studies will continue in that particular area covering 550 kilometres of river.

Mr. Loewen: Okay. Thank you.

Mr. Corbould: If I could, Minister and Chair, I would just add that we sometimes get delays because of things like the Fort McMurray fire. That significantly delayed that particular piece, but we're working to get back on track, and I am confident we will.

Mr. Loewen: Okay. Thank you.

Emissions Reduction Alberta: how is that currently funded? What budget line does Emissions Reduction Alberta come from?

Ms Phillips: Well, Emissions Reduction Alberta is the new name for the Climate Change and Emissions Management Corporation, which is a creature of the specified gas emitters regulation and the carbon pricing system that Alberta has had in place since 2008. The funds flow from the SGER into the CCEMF, the fund. Then the disbursements are made over to what was previously called the CCEMC, which is now called Emissions Reduction Alberta because I insisted on having an acronym that I could say.

Mr. Loewen: Which line item is that funding distributed from?

Ms Phillips: Well, it flows through the climate change and emissions management fund. The agency is a technology agency. They undertake calls for proposals.

Mr. Loewen: Sorry. I just wanted to see what line it's from. If you don't have it, could you undertake it?

11:30

Ms Phillips: It's page 139. That's the statement of account on the fund, statement of operations.

Mr. Loewen: Okay. Thank you.

Now, with the caribou plans I just wondered where you're at. One of the things that was suggested was: "reserve from disposition all remaining coal, metallic minerals, peat, sand and gravel rights."

Have you implemented that? Are there no more dispositions for those products being issued at this point?

Ms Phillips: No. It's a recommendation.

Mr. Loewen: Okay. That's not in place. So these different dispositions are still able to take place at this time?

Ms Phillips: That's correct. That's through Energy, not Environment and Parks budget estimates.

Mr. Loewen: Okay. Also, one of the other recommendations was: "require integrated land management... for all industrial activities." Is that implemented?

Ms Phillips: It remains a piece within the draft range plan. However, industry has already undertaken some of the play-based co-operation, and the AER has already undertaken some of this as a pilot in that area, and that is managed through AER and is not reflected in our budget estimates.

Mr. Loewen: Okay. Thanks.

One of the other suggestions was: "focus forest harvesting in areas where harvesting has already occurred." Is that something that's taking place?

Ms Phillips: Some of these conversations have occurred with the forestry companies in question. However, none of the policy discussions that the hon. member is referencing have a corresponding budget estimates line item.

Mr. Loewen: Under key strategy 1.1, the fourth bullet point, page 66, it talks about the methane emission reduction plan. What is the reduction target for methane for this year?

Ms Phillips: The reduction target that was recommended in the Leach report is a 45 per cent reduction by 2025 over 2014 levels, and that is a reduction target that was arrived at through the consultation process that was undertaken by the Leach panel. It is the standard now for Canada, and Alberta is undertaking a regulatory backstop for that voluntary reduction target in conjunction with industry and discussions with the federal government, who have the jurisdiction to regulate in this space under CEPA.

Mr. Loewen: Okay. In key strategy 3.3, page 70, it talks about initiating revision of Alberta fish and wildlife policy to address increasing and changing pressures. Can you elaborate a little bit on what exactly this means for Alberta's hunters and anglers?

Ms Phillips: Fish and wildlife policy is reviewed every year in terms of the number of critters out there on the landscape and the management responses for each region and even down to the level of granularity of each wildlife management unit. That is something that happens as a matter of course and will continue to.

Mr. Loewen: Okay. In the business plan preamble you state that the Alberta climate change office has been created to implement the climate leadership plan. How much is being allocated for the administration of the climate change office?

Ms Phillips: Each program has its own piece of measuring, reporting, and verification, and much of that is absorbed within the cost of the program or even within the department that delivers the programs. For example, the on-farm efficiency and solar PV programs were delivered by the department of agriculture as part of an extension of the Growing Forward 2 program. That's just an

example. The climate change office – information is publicly available – itself has 94 FTEs, and a large amount of that has to do with a lot of the measuring, reporting, and verification work that we have got to do in order to make this thing successful.

The Chair: Thank you, Minister.

We'll now move on to members of the third party, please.

Dr. Starke: Thank you, Chair. If it's all right with the minister, I'd like to go back and forth for our 10 minutes.

Well, Chair and Minister, my questions are primarily going to be centred around the parks area. I guess my first question with regard to parks, Minister, is around the cost-recovery ratio. We know that the parks expenses budget is just under \$85 million, but there are also some offsetting revenues. I'm just curious to know what the current projected cost recovery for parks operations is going to be this year and what measures are being taken to try to improve on the cost recovery within parks.

Ms Phillips: Thank you, Member, for that question. It's true that we do have a dedicated revenue stream, which is a good thing in a time when Albertans are keeping their funds a little closer to home through the recession. We've seen a real oversubscription to our parks infrastructure in the last couple of years as a result, which is great. We've had the most successful years, really, ever in terms of use of our campgrounds and our other parks infrastructure.

The cost-recovery pieces: Tom Davis, who is the head of corporate services, can discuss that a little bit. We've had better visitation, though, so higher revenues.

Dr. Starke: Good.

Mr. Davis: Thank you, Member, through the chair. Parks operations: this year we're projecting in terms of collection \$27 million. Parks infrastructure management: there's a levy for some of the facility redevelopment at \$3.8 million. These are the two areas that we are working...

Dr. Starke: By my calculation roughly \$30.8 million up against \$85 million in expenses, so roughly 36 per cent. How would that compare to past years? Is that an improvement? You say that visitation is up; I would anticipate that that means it's a higher rate.

Mr. Corbould: I think we'll have to get back to you on that one.

Dr. Starke: Okay. I mean, it's interesting. When I co-chaired the FPT on parks in Toronto in 2014, every parks minister knew that number, and for some of them it was approaching 100 per cent. It was quite impressive.

I guess my second question with regard to revenue streams is around cabin leases. We don't have a huge number of cabins in our provincial parks, but we do charge annual leases. These leases are scandalously low, and I know that there has been some effort to try to get them up to a level that I think is more reflective of market, especially when you consider that some of the cabins can scarcely be called cabins anymore. I'm just wondering what adjustments have been made to the cabin lease rates, because I do think that when we look at – I think it's roughly 800 cabin lease spaces that we have in the province. You know, it's not a huge revenue generator, but I think that of all the people in the province that don't need to be subsidized as far as leasing Crown land for their vacation properties, I would suggest that those are properties that we could probably adjust more to reflect market value.

Ms Phillips: I'll ask the assistant deputy minister of parks to respond to that. We have undertaken some new initiatives around

the cabin leases, and there's a bit more clarification on the parks revenue ratio piece as well.

Dr. Starke: Good. Sure.

Mr. Donelon: Steve Donelon, assistant deputy minister with the parks division. With regard to the cabin leases, last year we initiated a review of cabin lease rates, and we are implementing over a five-year transition an increase to the cabin lease rates, that go from, as you indicated previously, a very low lease rate – in some cases as low as \$400 annually – that will eventually move towards a market rate assessment over that five-year period. So it will vary, depending on the cabin.

Dr. Starke: Okay. Thank you, Chair. I appreciate that, and I think that's an important initiative. I'm glad you're doing that. I'm also glad that it's being phased in. I think that's important for the leaseholders.

Mr. Donelon: Right.

Dr. Starke: Capital investment. Minister, I am actually thrilled to hear that capital investment in the parks is going to be increased, you know, to closer to the \$40 million level. I applaud you in a time of financial challenge that you're able to do that. But I guess what I'm a little concerned about is that we are investing both operationally and with capital investment more into our parks, yet when I look in the business plan on page 70, our targets for the next three years in terms of park visitation are flatlined at 33 per cent. If we're investing more money in the parks, shouldn't we be expecting more visitors or at least trying for or targeting more visitors?

Ms Phillips: I think that's a good point, Member. Maybe we'll undertake to look at those key performance indicators over time and set ourselves a bit more ambitious targets as we move forward with some of the capital pieces in particular that are able to accommodate that increased visitorship. You know, there's no question that we need to invest in parks infrastructure if we want people to have access to that high-quality outdoor experience that we want for our families, and I think that all Albertans want more visitors, for people to come and spend their funds in our small businesses and our communities.

11:40

Dr. Starke: Well, Minister, as you probably know, you'll get absolutely zero argument from me with regard to the quality and diversity of our park spaces. I mean, they're outstanding in this province. I think we have as fine a basket of parks as any province, provincially, and our national parks as well.

But I was a little curious. On page 69 of the business plan at key strategy 2.5: "implement opportunities for park facility and/or program sponsorship to ensure long term sustainability." I'm a little curious as to what that might look like. Are we going to have, like, this cookhouse sponsored by Telus or, you know, this outhouse sponsored by whomever? I'm just wondering: is that what we're contemplating? Are we contemplating corporate sponsorship, or are we contemplating more along the lines of nonprofits or service clubs? Are there going to be guidelines there? Certainly, I think some parks visitors would prefer to not see those sorts of things.

Ms Phillips: No question that there will be guidelines, and also no question that I'm not sure who would be making the corporate branding strategies for sponsoring a set of outhouses.

But I think that there would be guidelines, and it's more in partnership with nonprofits, community organizations. You know,

I think there are different ways that we can ensure the long-term viability of some of our parks infrastructure, not the least of which is potentially examining the role of a parks foundation, as they have done in B.C. as well.

Dr. Starke: Right. On that and on the whole question of visitorship, one of the populations we're trying to attract to our parks is a younger visitorship. We know that one of the things that's important for a younger visitorship is access to Wi-Fi. Are we looking to expanding Wi-Fi access within our parks? I know that that's a bit of a controversial subject because some people go camping to get away from all of that stuff, but other people want to stay connected, and they want to be able to Snapchat and Facebook and tweet out, you know, what they're doing camping that day. What is the status of Wi-Fi expansion in our parks system?

Mr. Corbould: Mr. Chair, I would say that balance is the key here. We do sort of ask the users of the park what they want. And you're absolutely right: there are two sides of the story. I know where I go. But it is about balance, and we do work with the users of the park to figure out what the best balance is. I would say that we're not going to do it across the board; we're going to do it in the right places based on our feedback from users.

Dr. Starke: Little Bow provincial park is an absolute dead zone. Keep it that way. Okay? I mean, I was there last summer. It's fabulous. You go down that hill, and you're out of service. It's just great.

The aboriginal mentorship program at Áísinaí'pi, Writing-on-Stone provincial park: that was an award-winning program a couple of years ago. Has that continued?

Ms Phillips: Yes.

Dr. Starke: It's just a phenomenal program.

Mr. Corbould: And not only has it continued, but we're looking at copycatting that program for the Castle . . .

Dr. Starke: Good. Okay.

Mr. Corbould: . . . with the Piikani and other First Nations because it's a really good model, and we're looking at repeating it in other places.

Dr. Starke: Okay. That was my next question. Is it going to be replicated in the Castle or elsewhere? That program is phenomenal. We should be telling the world about it.

On the subject of Writing-on-Stone – I ask this every year – and the UNESCO world heritage site designation, where are we at?

Ms Phillips: You asked the question; I asked the question. From our end the work is done. We have made our submission from the provincial government side. As I understand it, it is now within the federal decision-making process. I'm not recalling the timeline off the top of my head.

Dr. Starke: Have we overcome the objections from some of the local landowners?

Ms Phillips: Yes.

Dr. Starke: We've cleared that hurdle?

Mr. Corbould: Absolutely. Yes.

Dr. Starke: Oh, fantastic.

Mr. Corbould: We've certainly done it at the staff level. The minister is going to do a few more engagements, I suspect, over the spring here.

Dr. Starke: Okay. Good.

Mr. Corbould: It really is in the feds' hands. We're cautiously optimistic that the feds will put it on the list in the next available . . .

Dr. Starke: That would be fantastic.

Ms Phillips: Which, we understand, is 2018.

Dr. Starke: It should have been there a long time ago.

Ms Phillips: Tell me about it.

Dr. Starke: I'll ask some more questions when we get to our next segment, which will likely be tomorrow, but just to give you a heads-up, they'll have to do with capital projects. And we'll talk about William Watson Lodge as well.

Ms Phillips: All right.

Dr. Starke: Thank you, Minister. Thank you, Chair.

The Chair: Thank you very much, Member.

We'll now move on to the independent member, Dr. Swann.

Dr. Swann: Thank you. I may just follow up a little bit on what my constituent who is an expert in pipeline integrity was saying, that there doesn't seem to be enough political will either in Environment or Energy to require higher standards of monitoring for corrosion in pipelines. As he said, we have the same corrosion and leak problem we had 35 years ago, which is about one per day, many of them small, some of them bigger. They're getting harder and harder to identify because it takes longer for the seepage to be identified in areas that are not populated, and since it's poorly monitored – it's on a complaint basis – the leak may go on for some time, small though it may be. Is there any talk between you and Energy in beefing up your standards and enforcement around those standards for pipeline integrity?

Ms Phillips: Those standards in enforcement lie in the Alberta Energy Regulator, and I'll have the deputy sort of fill in some of the blanks in terms of how that process works.

Mr. Corbould: I would say that there is an ongoing dialogue with us and AER on this. It hasn't been a very specific one in the short time I've been here in the department, but we can certainly endeavour to have that conversation with AER given some of the concerns raised.

Dr. Swann: Well, this fellow spends his time consulting with companies, and he says that he has reduced their costs by 75 per cent simply through using an algorithm that he has identified – the age of the pipe, the type of substance in the pipe, the corrosive potential, then, of those pipes – and he can prevent 90 to 95 per cent of leaks. So it made me wonder: how much do we know about that technology? Are we applying it? Are we just not paying attention because they're fairly small leaks? But 365 a year: it causes some significant environmental damage.

What is your approach to or do you have any influence on pesticide use in urban settings and cosmetic use of pesticides and the growing evidence that they may have long-term health effects?

Ms Phillips: We do regulate some of the pesticides in use in the province. I believe that it's a shared responsibility between Agriculture and Environment and Parks. I'll just get some clarity on that for you, hon. member.

Dr. Swann: I'm thinking of urban, more specifically.

Ms Phillips: Yeah. Those regulations are under review because we had to extend them, I believe, in 2015. I have the assistant deputy minister of policy and planning, Ronda Goulden, here, who can provide a little bit more detail on this.

Dr. Swann: Thank you.

Ms Goulden: Good morning. The regulation of pesticides is done both provincially and federally. We are involved in significant conversations with the federal government as well about which pesticides to regulate, when to regulate them, where to regulate them, and we do work with the Department of Agriculture and Forestry in that regard because it's not just about closeness to urban areas. That's an issue for the whole province.

Dr. Swann: With respect to cosmetic pesticide use, especially dandelions, we use an enormous amount of chemicals. These are biocides. When they get into food, water, contact with kids, they pose risk, and there's more and more evidence that we can do without them. Is there any movement to try to get more leadership, I guess, and control on that?

Ms Goulden: Definitely, the whole issue of pesticides is under constant discussion. At the moment those initiatives are not in place, but the conversation is always live. As the science comes in, as the science is evaluated, as the conversations happen, both on the provincial and federal levels, then those will continue to be monitored.

Ms Phillips: Just to add to that, much of this is within municipal jurisdiction as well on the cosmetic use. Just as a follow-up to that, some of the – and I'm not going to say it right – neonicotinoids, the bee ones . . .

Dr. Swann: Neonics.

Ms Phillips: Thank you.

The pesticides that there's increasing evidence have an effect on our bee populations: those ones are also being examined by the federal and provincial governments because, certainly, pollinators are required for agriculture in this province and elsewhere, and we want to make sure that we're making the right evidence-based decisions on those as well.

11:50

Dr. Swann: Thank you.

Thank you, Mr. Chair.

The Chair: We'll now move on to the private members of the government caucus.

Ms Kazim: Thank you, Mr. Chair. I would like to share my time with Member Rosendahl. I would like to ask about the watershed resiliency and restoration program. I was wondering what kind of grants are available and who is eligible for these grants.

Ms Phillips: Sure. Thank you. WRRP grants are those kinds of restoration of habitat type projects, riparian habitat or holding water on the landscape in various ways. Generally speaking, those grants are administered in partnership with other organizations, for

example Cows and Fish, which aims to ensure that grazing disposition holders have the right kind of information and planning tools to ensure intact habitat or riparian areas. Certainly, there are partnerships with the agricultural watershed enhancement program between us and Agriculture and Forestry. There are some other initiatives that are led or are in partnership with the watershed planning councils or other nonprofits. Those WRRP grants are essentially a good tool for various kinds of communities, whether it's municipalities or others, to be able to leverage that grant against other funds that they can raise to get the projects done.

Ms Kazim: Okay. In addition to these grant programs, does the department fund educational initiatives to support responsible water resource management?

Ms Phillips: Certainly, we do through the watershed planning council, and that was one of the reasons why we felt it was important to again make a three-year funding commitment to the water councils because they do undertake that really important public education component, whether it's around water literacy, water use for a variety of different kinds of stakeholders, or now addressing problems related to climate adaptation and some of the challenges that we will find with managing our water supply in the context of climate change and the reality that it will make severe weather events more frequent and severe.

Ms Kazim: Thank you very much.

I would like to pass my time to Member Rosendahl now.

Mr. Rosendahl: Thank you. I'd like to move to the next section of questions, concerning water monitoring. We all know that a successful government works collaboratively and effectively with its stakeholders and partners. If you look on page 66 of the ministry's business plan, under outcome 1, environment and ecosystem health and integrity, it states:

Productive relationships and strategic partnerships that include Albertans are needed to achieve clean air, reduced greenhouse gas emissions, quality water, sustainable water supplies, productive and sustainable lands, conserved natural landscapes, protected areas and ecosystem services.

On the topic of supporting productive relationships and strategic partners and ensuring that they are effective, how is community-based monitoring incorporated into the water monitoring strategy to ensure efficient use of the department's resources? That's a long-winded question.

Ms Phillips: And now you shall get a long-winded answer. Community-based monitoring is really key to a lot of our ability to plan, and that was why we thought it was important to stabilize the grant funding to watershed councils and to the Alberta Water Council. Now, their overall amount of investment has not necessarily increased, you know, environment budgets being constrained as they are in the operations piece, but what we wanted to do was give those really critical community organizations the ability to plan, to base their water management plans for their individual basins on good, community-based monitoring that feeds into the overall science program for the province. That was what we accomplished with this multiyear funding for the watershed planning and advisory councils. You know, their performance is evaluated through annual reporting, through direct participation by ministry staff in their work, and within a formalized performance evaluation using sort of jointly developed indicators.

I think it's also really important to ensure that we are appropriately supporting community-based monitoring for our goal of ensuring that traditional ecological knowledge is woven into all

of our efforts in Environment and Parks. We see that through the establishment of the Indigenous Wisdom Advisory Panel in legislation. As far as I know, it's really the only place where it is the case that we must consult and weave indigenous traditional ecological knowledge into our overall planning. I would be surprised if this wasn't a really leading-edge thing certainly in Canada and elsewhere. We think that's important. We think it's important to ensure that we've got the right resources in place for community-based monitoring, and we're working with the office of the chief scientist and the federal government to ensure that that occurs.

As for overall water management, one of the biggest things that you can do is invest in the infrastructure, which we have done through our capital plan. You know, if one were to undertake significant budget cuts, certainly one could begin eliminating grants to the community resilience program, for example, and leaving municipalities to solve some of those problems on their own with respect to their water intake, their stormwater management, and other pressing public infrastructure concerns.

We chose not to do that. We chose not to do that because we know that climate change is real and that severe weather events are becoming more frequent. We chose not to do that because we want to ensure that these capital grants are in place for municipalities. They are moving out in many cases to rural or very small municipalities that wouldn't otherwise have the capacity to upgrade their water systems both for management of water but also drinking water quality and keeping people safe. That's why we made those choices, to essentially maintain those budgets. They're not necessarily increased a whole lot, but what we haven't seen are any dramatic cuts in this area because there would be public safety and public health consequences to decimating those budgets.

Mr. Rosendahl: Okay. Thank you very much for that answer. I have another question, though. It is a little bit technical, however. How does river and stream monitoring inform watershed management, and how has this funding supported this issue?

Ms Phillips: I'll ask the deputy to provide a bit more detail on the actual water monitoring and some of the initiatives that the department has undertaken.

Mr. Corbould: Thanks, Minister, Chair. I would say that, like with air and other pieces, we need to understand what the state of the water is, what the quality of the water is, what the flows are. We have a series of testing stations, measuring stations, and we have a river engineering and technical service section that makes sure we understand what's going on with the water throughout the province. It engages with the irrigation districts, all the WPACs that the minister spoke about that we fund. The key is to make sure we know what's going on in the environment technically and in reality so that we can make decisions on everything from flood mitigation to drought mitigation, adaptation, and water quality.

The other thing I would say is that all this work is done in collaboration with municipalities. We're constantly evaluating the headwaters that, for example, provide water to Medicine Hat and the city of Lethbridge and the city of Calgary. There's this constant dialogue between everybody who operates in the water space, and it's a significant number of people when you think about those who run dams and municipalities who drink the water that comes to them.

It's really this systems approach we've taken from the western border all the way to water that goes beyond our borders, and even then we have transboundary discussions with both the U.S. and other jurisdictions.

The Chair: Thank you, everyone. The time allotted for this item of business has concluded for today.

I would like to remind committee members that we are scheduled to meet again tomorrow, April 5, 2017, at 9 a.m. to further consider

the estimates of the Ministry of Environment and Parks. This meeting is adjourned.

[The committee adjourned at 12 p.m.]

