



Legislative Assembly of Alberta

The 29th Legislature  
First Session

Standing Committee  
on  
Resource Stewardship

Ministry of Environment and Parks  
Consideration of Main Estimates

Wednesday, November 18, 2015  
3:30 p.m.

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**Legislative Assembly of Alberta  
The 29th Legislature  
First Session**

**Standing Committee on Resource Stewardship**

Goehring, Nicole, Edmonton-Castle Downs (ND), Chair  
Loewen, Todd, Grande Prairie-Smoky (W), Deputy Chair

Aheer, Leela Sharon, Chestermere-Rocky View (W)  
Babcock, Erin D., Stony Plain (ND)  
Clark, Greg, Calgary-Elbow (AP)  
Dang, Thomas, Edmonton-South West (ND)  
Drysdale, Wayne, Grande Prairie-Wapiti (PC)  
Horne, Trevor A.R., Spruce Grove-St. Albert (ND)  
Kazim, Anam, Calgary-Glenmore (ND)  
Kleinstauber, Jamie, Calgary-Northern Hills (ND)  
MacIntyre, Donald, Innisfail-Sylvan Lake (W)  
Rosendahl, Eric, West Yellowhead (ND)  
Starke, Dr. Richard, Vermilion-Lloydminster (PC)\*  
Stier, Pat, Livingstone-Macleod (W)  
Sucha, Graham, Calgary-Shaw (ND)  
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\* substitution for Wayne Drysdale

**Also in Attendance**

Anderson, Wayne, Highwood (W)  
Drever, Deborah, Calgary-Bow (Ind)  
Fraser, Rick, Calgary-South East (PC)  
Swann, Dr. David, Calgary-Mountain View (AL)

**Support Staff**

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Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

## **Standing Committee on Resource Stewardship**

### **Participants**

Ministry of Environment and Parks

Hon. Shannon Phillips, Minister

Tom Davis, Assistant Deputy Minister, Corporate Services

Steve Donelon, Executive Director, Parks Program Co-ordination

Andy Ridge, Acting Assistant Deputy Minister, Policy and Planning

Bill Werry, Deputy Minister



3:30 p.m.

Wednesday, November 18, 2015

[Ms Goehring in the chair]

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

**The Chair:** Good afternoon. I'd like to call this 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, 2016.

I'd ask that we go around the table and introduce ourselves for the record.

Madam Minister, please introduce your staff when we get to you.

I'm Nicole Goehring, MLA for Edmonton-Castle Downs and the chair of this committee. If we could please start introductions to my right with Mr. Fraser.

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

**Dr. Starke:** Good afternoon. Richard Starke, MLA, Vermilion-Lloydminster.

**Mr. Drysdale:** Wayne Drysdale, Grande Prairie-Wapiti.

**Mr. Clark:** Good afternoon. Greg Clark, Calgary-Elbow.

**Mr. Stier:** Hi there. Pat Stier, MLA for Livingstone-Macleod.

**Mrs. Aheer:** Good afternoon. Leela Aheer, Chestermere-Rocky View.

**Mr. Loewen:** Todd Loewen, MLA, Grande Prairie-Smoky, and Dean here to my left is my assistant.

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

**Mr. W. Anderson:** Wayne Anderson, MLA, Highwood.

**Ms Phillips:** Shannon Phillips, Minister of Environment and Parks. Shall I introduce my staff now?

**The Chair:** Yes, please.

**Ms Phillips:** To my right is Bill Werry, who is Deputy Minister of Environment and Parks; Tom Davis, assistant deputy minister, Environment and Parks; Andy Ridge, acting assistant deputy minister, Environment and Parks.

**Ms Drever:** Deborah Drever, Calgary-Bow.

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

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

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

**Mr. Rosendahl:** Eric Rosendahl, MLA, West Yellowhead.

**Ms Babcock:** Erin Babcock, Stony Plain.

**Mr. Horne:** Trevor Horne, MLA, Spruce Grove-St. Albert.

**Mr. Kleinsteuber:** Jamie Kleinsteuber, MLA, Calgary-Northern Hills.

**Mr. Sucha:** Graham Sucha, MLA, Calgary-Shaw.

**Ms Bianchi:** Giovana Bianchi, committee clerk.

**The Chair:** Thank you, everyone. I'd like everyone to note that the microphones are being operated this afternoon by *Hansard*, and we ask that BlackBerrys, iPhones, et cetera, be turned off or set to silent or vibrate and then not placed on the table as they may interfere with the audiofeed.

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'd 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 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 will then be 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 five minutes, once again a minister and a member may combine their speaking time for a maximum total of 10 minutes. 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 with either myself or the committee clerk about the process.

Three hours have been scheduled to consider the estimates of 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, but please note that the clock will not stop for the break. If anyone opposes taking a break under these circumstances, we won't. Does anyone oppose taking a break? No one is opposed. We will be taking a five-minute break.

Committee members, ministers, and other members who are not committee members may participate. Ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee. Members' staff may be present and, space permitting, may sit at the table or behind their members along the committee room wall. Members have priority for seating at the table at all times.

If debate is exhausted prior to the three 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 be adjourning this evening at 6:30.

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

Any written materials 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.

The vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on November 23, 2015.

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 November 23, 2015. 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 must be provided at the meeting for committee members and staff.

I would now like to invite the Minister of Environment and Parks to begin with her opening remarks.

**Ms Phillips:** Well, thank you, Madam Chair. I'd like to introduce those from my department who have joined us here today. Beside me there is Bill Werry, Deputy Minister of Environment and Parks; Tom Davis, assistant deputy minister, corporate services; Andy Ridge, acting assistant deputy minister, policy and planning. Also, joining us in the gallery are Gerald C. Hawranik, chair, Surface Rights Board and Land Compensation Board; Vern Hartwell, chair of the Natural Resources Conservation Board; and Peter Woloshyn, CEO of the Natural Resources Conservation Board. Also here are Graham Statt, assistant deputy minister of operations; Rick Blackwood, assistant deputy minister, strategy; Steve Donelon, acting assistant deputy minister, parks; Gordon McClure, executive director, Public Lands Appeal Board; Kevin Peterson, senior financial officer; Janice Coffin, director of communications; Neenu Walia, director, parks finance; and Dave Ardell, director, operations.

Madam Chair, Albertans are more concerned than ever about the environment and what is being done to protect their air, land, and water. This spring our government was elected with a mandate to take meaningful action when it comes to climate change and protecting our air, water, wildlife, and land. We are investing \$631 million for Alberta Environment and Parks to protect Albertans, our communities, and our natural areas. In Budget 2015 we are setting the strategic path Alberta needs to show leadership on the environment and climate change. This budget allows us to do the planning required to take action on climate change and to take action on environmental monitoring enforcement, commitments we made in May.

We will ensure Alberta's work protecting the environment is informed by the best possible science, and we will also invest in shielding Alberta's communities, families, and businesses from the future cost of natural disasters through flood mitigation work. As funding for flood mitigation is the bulk of what is increasing in Budget 2015, which is essentially a hold-the-line budget for Environment and Parks, I'd like to tell you a bit more about the resources we requested to get the work done.

First, on this matter of flood recovery and prevention, two years after the devastating flood in southern Alberta work continues to rebuild infrastructure and mitigate the risks of future floods. As we saw in 2013, floods can have costly, devastating, and far-reaching effects. In addition to the effect on our families and communities, floods like the one two years ago have major consequences for the local and provincial economies. In fact, the 2013 flood resulted in more than \$6 billion in damage to our infrastructure and our economy. Protecting Albertans from disasters means making sure communities have appropriate mitigation efforts in place. Resiliency needs to be built over the long term, and that requires stable, long-term, predictable funding.

**3:40**

Government's capital plan includes \$926 million for flood recovery and mitigation over five years, with a hundred million in new funding for the Elbow River mitigation project. In Budget 2015 the ministry is investing \$196 million toward efforts to ensure we have addressed the outstanding issues from 2013 and that we are better prepared for future flood events. As I mentioned, the majority

of my department's budget increase is related to flood mitigation along the Elbow River. Our government will deliver the funding necessary to move forward on priority projects so that our municipal partners can improve the flood resiliency of their communities.

We recently announced that we would move forward with the Springbank project, including Bragg Creek and Redwood Meadows flood mitigation initiatives, that will help protect families and businesses. Our government carefully weighed the options and is moving forward with a plan that makes the most sense in terms of cost, environmental protection, and construction risk. This investment will help safeguard our communities and economy against increasingly severe and frequent natural disasters. In what is otherwise generally a hold-the-line budget for the ministry, this investment demonstrates our commitment to ensuring that the people of Calgary and all of southern Alberta have protection against another 2013 flood.

Along with the mitigation work we know that flood hazard studies are important tools that provide quality long-term information to help build safer communities in Alberta, so we are also investing in flood hazard mapping efforts so that communities can identify and prioritize flood mitigation efforts. In Budget 2015 five new studies will identify river hazards and produce new inundation and hazard maps for the Bow, Elbow, Sheep, Highwood, and Peace rivers. In total, approximately 520 kilometres of river will be studied and mapped. These maps will be a valuable tool to identify risk and guide future developments. This work will support a more flood-resilient Alberta through a better understanding of risk and a balanced approach that will keep everyone safe when floods occur.

Another central focus of the ministry is climate change. To ensure our future prosperity environmentally and economically, Alberta must take action on its greenhouse gas emissions. We need a climate change plan that is ambitious, effective, and achievable. The review panel has been compiling and analyzing the input from public discussions and from our technical engagement sessions. They are providing us advice that will help inform a meaningful climate change action plan. We will have more to say on that plan before the COP 21 meetings in December.

As we make our decisions, the health of our economy continues to be one of our main considerations. Alberta relies on energy exports for much of our economy, employment, and prosperity. We will ensure that the climate change action plan positions Alberta's economy for long-term success in a carbon-competitive world.

On the matter of land use, land trust, and conservation, protecting and conserving ecologically important areas of our province helps us prevent habitat fragmentation, maintain biodiversity, and preserve native landscapes. It is critically important to preserve these special areas for future generations. We've already begun that work. The Castle area is prized for its headwaters, functions as a key wildlife corridor along the eastern slopes, and has been identified as one of the most biologically diverse areas in Alberta. During the consultation process for the South Saskatchewan regional plan Albertans regularly stated that they wanted greater protection for the Castle.

We believe that regional plans should be approached as living documents. When new ideas or opportunities arise, we should not be afraid to explore them for the benefit of our province. In September we announced we were going to take the necessary steps to protect the Castle, and we will work with Albertans to develop a new park management plan beginning very soon.

We are committed to finding the right mix of conservation, preservation, and recreation opportunities within the protected Castle area. This work is supported in our current budget through

various line items, and we'll be ensuring adequate support in future budgets. The Castle is one example of how this government is serious about increasing our conservation in a responsible and balanced way.

In Budget 2015 we also presented an adjustment of \$10 million to capital grants for the Alberta land trust grant program. This valuable program provides funding to eligible land trusts for the purchase of conservation easements on private land. These conservation areas maintain large areas of native landscapes, conserve connecting corridors for biodiversity, and sustain pockets of native habitat within fragmented landscapes. This increase is fully offset by funding that is already available in the land stewardship fund, which currently has a balance of \$65 million. This is an important program for the good work that land trust organizations in our province do and the work that they do with landowners. I'm proud to be able to increase our support.

My ministry also has a critical role in ensuring that our water, air, and land are safe for Albertans to enjoy. As the province continues to grow, we are seeing increased pressures from recreational users on vacant public land. We know that we need to step up our presence to protect our public land areas. We're reviewing how we can be more effective with enforcement on public lands so that these natural areas are protected for the benefit and enjoyment of all Albertans. We are committed to making steady progress on recreation management not just along the eastern slopes but across the province.

My ministry will also be reviewing legislation and policies regarding the cleanup of contaminated sites and bringing back recommendations on options for strengthening that system in the near future. This planning work is funded through the existing dollars in Budget 2015.

Albertans want to have clean air to breathe, clean water to drink, and a healthy environment to enjoy now and for future generations. We recognize the role that climate change, conservation, and stewardship, both on our public lands and with our private landowners, plays in the path we take. Our government takes Albertans' concerns seriously. We will deliver on the priorities that Albertans set out for us and set the strategic path we need to take to become an environmental leader.

Thank you.

**The Chair:** Thank you.

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 minutes so that you're aware of time, or would you prefer to let the full hour flow without interruption?

**Mr. Loewen:** Five minutes before the end.

**The Chair:** So the full 60 minutes but a five-minute warning before the end?

**Mr. Loewen:** Yeah.

**The Chair:** Perfect. And would you be sharing your time with the minister?

**Mr. Loewen:** Yes.

**The Chair:** Thank you. You may speak.

**Mr. Loewen:** Thank you, Madam Chair. Thanks for the opportunity to participate in this very important process. I just want to say to the minister and her staff that I appreciate all of the hard work that has gone into this process. I certainly hold no malice or

ill will towards any of you, but I am charged with the responsibility by my constituents and the taxpayers of Alberta to do this job here today. Given that your department now contains two large ministries, it is unfortunate that we now have only three hours to discuss this document, but we will do the best we can.

In the 2015-2016 government estimates line items 1.1 and 1.2 show both the minister's and the deputy minister's office budgets being reduced. What are these savings due to?

**Ms Phillips:** Well, I'll provide some insight into the decisions we took, and then I'll defer to the deputy minister to provide some more insight into the decisions under his purview. As for us in the minister's office, we hired the people that we needed to do the job. That's what we did, and it came out to what it came out to. So, you know, it is less than it was previously in the minister's office. I guess that's a function of just the people we hired.

**Mr. Loewen:** Okay. Thank you very much.

Did you want to add anything?

**Mr. Werry:** Just to supplement, in the deputy minister's office, as you can see, we have a relatively modest reduction over 2014-15, and again it was based on a careful reflection of last year's actual expenditures and adjusting to those and reflecting that in the budget.

**Mr. Loewen:** Okay. Thank you.

Now, Minister, do you plan on going paperless in your environmental ministry?

**Ms Phillips:** To what are you referring?

**Mr. Loewen:** Well, in particular, we can talk about FOIP requests and things like that. There are a lot of ways that, I'm sure, paperless could be used, and I'm not sure if you have any plan to go that route or not.

**Ms Phillips:** Well, we had a look at those issues. I know that sometimes when FOIP requests are given – and it's either an approvals process or a policy process – files are quite large, as I understand it. I know that in my previous life of executing a freedom of information request, sometimes you have to pick up the paper copies because the files are that big.

We are examining our options in this space with respect to how the FOIP co-ordination office works. I wonder if the deputy minister has a few more updates on that matter.

**Mr. Werry:** Just one additional piece of information for the member. We have moved to proactive full disclosure on several aspects of matters that might have been the subject of FOIP requests in the past, and those are online disclosures.

Actually, I'm proud to announce that one of our staff received a national award for proactive disclosure in one of the areas in which we operate, awarded by the privacy commissioners across the country.

3:50

**Mr. Loewen:** Thank you very much.

Have you done any cost analysis on any savings that could happen if there was an opportunity to go paperless?

**Ms Phillips:** I'll defer to either Tom or Bill on this matter.

**Mr. Davis:** Thank you, Minister. Analysis in terms of going paperless: we have not done analysis in that regard. What we are working on are several key themes. The deputy and the minister have spoken to FOIP. We are also working with Service Alberta as

it relates to greening the government fleet, so looking at sizes of vehicles, fuel economy, and reducing in terms of what would be that environmental footprint. We also have a series of activities we're undertaking right now about greening government as it relates to connectivity, so better video conferencing means and things like that so that we're able to connect across the province with our regional offices as well as the communication needs that we would have there.

**Mr. Loewen:** Okay. That's fine. Thanks.

Now, in these line items here that we're discussing, 1.1 to 1.4, is there any sort of travel for staff?

**Ms Phillips:** I believe there is some in the minister's office. That's included as part of it.

**Mr. Loewen:** Okay. Which line item is that travel included in?

**Ms Phillips:** Well, within the minister's office, when we, you know, need to go somewhere, that would come out of that budget. I will say that we are very dedicated in our office to keeping those costs very, very reasonable. Really, just on that, we have taken decisions as a staff that we would keep those costs at the absolute bare minimum. Those are within the minister's office, and I'll let Bill discuss travel policy within the deputy minister's.

**Mr. Loewen:** I just want to expand here a little bit. What type of travel would be covered, and who would qualify?

**Ms Phillips:** Well, when I have to go to a meeting, I travel there. Sometimes, you know, I have a car from the fleet, right?

**Mr. Loewen:** How about, in particular, air travel?

**Ms Phillips:** I have taken, I think, two flights to Fort McMurray and one to Winnipeg for the Canadian Council of Ministers of the Environment.

**Mr. Loewen:** How about your staff?

**Ms Phillips:** I believe my chief of staff accompanied me on at least two of those and my ministerial assistant on another.

**Mr. Loewen:** Okay. Did they take any other trips, air trips, besides what we're talking about here?

**Ms Phillips:** I can't recall any over the last six months. No.

**Mr. Loewen:** Okay. Thanks.

In the government estimates, line 1.3, the communications budget has increased by \$310,000 over last year's actuals. Is this the addition of more communications staff to the minister's office?

**Ms Phillips:** The communications budget is not communications staff in the actual minister's office. That's covered under the minister's office. Communications is under the ministry support services, so I'll allow Bill to talk a little bit about the FTEs that are there, who they are, and also about the communications undertakings of the department.

**Mr. Werry:** Last year we weren't fully staffed, so that's why the '14-15 actuals were lower than the forecast budget for '15-16. There's been no increase in the number of positions; it's just that the positions weren't fully staffed last year.

**Mr. Loewen:** I see. The positions were open before, and now you've filled them.

**Mr. Werry:** Right. Exactly.

**Mr. Loewen:** Okay. How many of the communications staff – what was the increase in numbers of staff?

**Mr. Werry:** There was no increase in the budgeted numbers of staff, it's just against last year's actuals.

**Mr. Loewen:** Compared to last year's actuals, what's the increase in the number of people? I'm talking people.

**Ms Phillips:** We'll get back to you on that one.

**Mr. Loewen:** Thanks. That sounds good.

Okay. Does the communications staff have a travel allowance?

**Mr. Davis:** Within each of the budget lines that you're speaking to we include salary as well as supply and services, and within supply and services travel expenses would be captured. So what you're seeing there on any of these lines would be an entirety of, like, pens, paper, travel, salaries, those operating expenses.

**Mr. Loewen:** Is there any way to break that down at all?

**Mr. Davis:** We can show that broken out.

**Mr. Loewen:** That would be great. Thanks.

We'll carry on. Going on to line 1.4, human resources, last year's spending was under budget by \$856,000, yet you actually increased the budget over last year's by \$159,000. What was the need to increase the budget if the money wasn't spent last year?

**Ms Phillips:** Well, hon. member, there were some programs that we did not run last year. There was internship milestone recognition, managers as leaders programs, and there was also some reduced discretionary spending, so that's what accounts for the budget-to-actual variance in that line.

**Mr. Loewen:** Okay. What exactly is included in the human resources line? What does it account for exactly?

**Ms Phillips:** I'll allow Tom Davis on that one.

**Mr. Davis:** That would include, again, salaries for all staff within our HR team, their associated spending as it would relate to supply and services. It would also include training programs that we would run through the year, recognition funding. There are things that we fund centrally for the department out of our HR team, so that would be included in that budget line.

**Mr. Loewen:** Okay. Were there new costs incurred?

**Mr. Davis:** Other than what the minister has said, that there were some programs that last year we did not run that traditionally we would run, we built those into the budget in anticipation that we would be running those as staff supports.

**Mr. Loewen:** Okay. Thank you.

Line 2 on page 114 deals with air, and then line 2.1 is air policy. Last year this line actually went over budget by \$121,000, but this year you've cut the budget \$586,000 from what was spent previously. Can you first explain what air policy encompasses?

**Ms Phillips:** Sure. Well, air policy is, of course, the policy analysis and design so that we can participate in the air quality management systems for Canada, which includes the base-level industrial emissions requirements, which they call the BLIERs – there are a lot of acronyms in this department – for 13 industrial sectors and



equipment groups. Of course, that also encompasses our work for monitoring and so on on the Canadian ambient air quality standards, which are the new standards that were agreed to a few years ago by the Canadian Council of Ministers of the Environment. That is, of course, the first report, between 2011 and 2013, that we released earlier, in the early fall or late summer.

Air policy analysis and design also support our air zone management regional airsheds. It also allows us to collaborate with the federal government to develop and implement the revised air quality health index, which is a different measure. There are also air plans that feed into the land-use framework, which are, of course, ways that we involve municipalities and others on air quality.

**Mr. Loewen:** Okay. That's great. Thank you.

Based on last year's budget, you know, if last year's budget wasn't enough – or was it moved to a different line item? Where's the change in the dollar figure there?

4:00

**Ms Phillips:** Yeah. There are going to be a few of these spots where because the previous government undertook the efforts of AEMERA, which is the Alberta environmental monitoring . . .

**Mr. Loewen:** That's okay. I understand.

**Ms Phillips:** Another acronym. The monitoring agency, as I like to call it.

Because of that, there are some FTEs that have moved from the department over to AEMERA. For example, in this line item they had transferred two FTEs.

There was also under air policy a crossministry manpower reduction. You'll find that throughout Environment and Parks because there have been quite a few. With the exception of some of the flood recovery investments it's a hold-the-line budget. In some places there were even quite a few reductions. In that space the 5 per cent reduction also came from reduced reliance on external providers and contractors for planning and policy development, consultation, project management.

**Mr. Loewen:** Okay. Thanks. That's good.

We're looking at 2.2, air partnership and stewardship. What is the role of this particular line item?

**Ms Phillips:** Alberta Environment and Parks works in partnership with the Clean Air Strategic Alliance, which is chaired by Deputy Minister Werry, and its project teams and standing committees. What this does is that it's a collaborative forum for government, industry, and environmental nongovernmental organizations to come together to chart the way forward on air quality. This has been a really interesting way of governing this particular policy space, and it's actually worked very, very well. So that's where that . . .

**Mr. Loewen:** Okay. Thanks. That's good. I just needed to know what it was there. That's fine.

Now, this department went over budget last year by approximately \$5 million. Given that overage has the department determined what the reason for the overage was?

**Ms Phillips:** Because I was not there, I will defer to Deputy Minister Werry on that. The budget had been \$7.5 million. The actual is \$7.672 million. That's what you're inquiring after? I'm sorry. I'm looking at the wrong one. Okay. We had the estimate of \$4.5 million, right? On this, we had additional airshed grant payments that happened last year, and that is what accounted for that.

**Mr. Loewen:** Okay.

**Ms Phillips:** I will defer to others, though, on what airshed grant payments are if you would like to know why they spiked up.

**Mr. Loewen:** That's fine. You've identified it. We'll carry on.

Now, members of government and yourself have made statements regarding the decommissioning of coal-fired generators and concern for health and emissions. Is it your plan to accelerate the decommissioning of these plants beyond what is already planned?

**Ms Phillips:** Of course, the climate change panel has been tasked with reviewing these matters. As we explained in the leadership document that we released when we appointed the panel, they have been asked to look at a somewhat accelerated coal-fired electricity phase-out. This is something that we've said in the platform, and we reiterated this every time we've spoken publicly on this matter ever since. What we've asked the panel to do is provide us advice on how we can ensure that a coal-fired retirement – I note this morning that the U.K. is also contemplating a coal-fired retirement. How we can do that in ways . . .

**Mr. Loewen:** Just so I'm clear here, you're on record as saying – and your government is, too – that you do plan on accelerating the decommissioning of coal-fired generators at a faster rate than has already been planned?

**Ms Phillips:** We are examining our options within the space of the federal coal . . .

**Mr. Loewen:** Excuse me. Are you suggesting that you haven't said that? I'm just asking a simple question, just a yes-or-no question.

**Ms Phillips:** No. We have said that we are looking at our options for early retirement, yes.

**Mr. Loewen:** Okay. Thank you.

Has there been any cost analysis of this accelerated program?

**Ms Phillips:** Well, those are the pieces that the panel is actually examining – right? – how we can ensure that we do this in a way that is fair to consumers, fair to communities, and fair to the companies involved.

**Mr. Loewen:** That's fair. You haven't, then. That's fine. Are you committed to this course of action even though it hasn't been thoroughly costed?

**Ms Phillips:** The fact of the matter is that it is being costed. We are in conversations with the Electric System Operator.

**Mr. Loewen:** Did you say that it had been costed?

**Ms Phillips:** It is being costed. This is the part of the piece that we've asked the panel to recommend to us.

**Mr. Loewen:** Okay. Will you share that information with Albertans?

**Ms Phillips:** Yes. We've said that we will be discussing the panel's advice to us in the coming days and weeks.

**Mr. Loewen:** Now, are there any coal-driven facilities that rival natural gas in clean-burning efficiency?

**Ms Phillips:** We do have some, the later-life ones, that come closer to gas emissions.

**Mr. Loewen:** Okay. Thanks.

Line 2.3 deals with air quality management. This topic has been in the news as of late as Red Deer was cited by the minister as having the poorest air quality in Alberta and on pace for the worst in Canada. Would that be a fair summary of your position, Minister?

**Ms Phillips:** Yes. That's precisely what I said.

**Mr. Loewen:** That is your current position?

**Ms Phillips:** Well, it's the position of the science.

**Mr. Loewen:** Okay. Now, are the funds in line 2.3, air quality management, to be used for measuring the air quality health index that Albertans use to check air quality?

**Ms Phillips:** That is part of it.

**Mr. Loewen:** Where would the other part be?

**Ms Phillips:** The Alberta air quality health indexes, the AQHIs, are also matters that are undertaken by AEMERA, the monitoring agency. Of course, on that piece there have been quite a few transfers, right? It's taken some time to get the monitoring agency up and running through various changes of governments and Premiers that preceded us.

**Mr. Loewen:** Okay. Does that line pay for all the costs related to the actual devices or simply the contracts for collecting data and maintenance?

**Ms Phillips:** The air budget is broken down into policy, partners, and stewardship, so there are a number of different pieces in there when we're talking about monitoring.

**Mr. Loewen:** Is there a standard device in use all over Alberta, or are there a variety of different devices used?

**Ms Phillips:** I'm going to refer to the subject matter experts on this matter. I think Andy Ridge can provide us more insight on this.

**Mr. Ridge:** Yeah. What we would have is regional-based monitoring, which has through the airsheds a certain type of monitoring device. There would be compliance-based monitoring, that would be more local to specific projects. There's mobile monitoring as well.

**Mr. Loewen:** So it's fair to say that there's a variety.

**Mr. Ridge:** There's a variety.

**Mr. Loewen:** Okay. That's good. The device you used to determine the problem with the PM<sub>2.5</sub> in the Red Deer airshed: which device was used in that one?

**Ms Phillips:** There are a number of devices that are used to underpin the national standards on Canadian air quality standards. Because those standards are designed to protect against chronic, long-term exposure to bad air quality, the air quality health index is designed as a real-time tool to help inform the public on short-term exposure to air pollution. So there are quantitatively, qualitatively different types of measurements that provide different kinds of information.

**The Chair:** I'd just like to interject and remind the member that we're here to discuss the budget estimates as well as the business plan.

**Mr. Loewen:** Yeah.

How many different devices are used in Red Deer?

**Ms Phillips:** Well, again I am going to defer to subject matter experts on this.

**Mr. Ridge:** Yeah. In terms of the actual numbers we can provide information on how many are in a particular airshed, but it's not a particular device. There's hourly reporting for these devices, but it's an aggregate application of data that's collected, applied through a national protocol to arrive at a number to determine a value that's applied in the standards. For the national guidelines there's a three-year rolling average. For provincial guidelines there's a one-year rolling average. So it's not just the device; it's the collection of data. We can get you the specific number of data collection facilities within that area that contribute to that.

**Mr. Loewen:** Perfect. Please do that.

**Ms Phillips:** It's already in the CAAQS report. All of that is already online.

**Mr. Loewen:** Thank you.

I see the budget has been cut by \$1.1 million compared to what was actually spent last year.

**Ms Phillips:** Sorry, hon. member. What are you looking at now?

**Mr. Loewen:** This is going on line 2.3.

**Ms Phillips:** Okay. We're back on the air quality management, line 2.3. That's where you're at?

**Mr. Loewen:** Yes. That's right.

**Ms Phillips:** Okay. Yeah.

**Mr. Loewen:** Can you give me a reason for the cut in the amount of money?

**4:10**

**Ms Phillips:** Yes. That piece is mostly attributable to transfers to AEMERA. There were some reductions related to reduced reliance on external providers for policy and planning development, for consultation and project management. There were a couple of crossministry manpower reductions, and then there were some transfers to AEMERA. Overall, a total of 223 FTEs over time were transferred to AEMERA. Then there were a couple of other general adjustments of small amounts as a result of crossministry reallocation for increased operating efficiency.

**Mr. Loewen:** Okay. Thank you.

Now, the government has talked about a scientific study looking into the cause of air pollutants in the Red Deer area. From what line is this study funded?

**Ms Phillips:** Our response to the release of the CAAQS data between 2011 and 2013 – we're working on the government response plan. That will all be taken care of from within existing budgets.

**Mr. Loewen:** Okay. Can we have a copy of this study when it's complete?

**Ms Phillips:** Yeah. We're almost ready to release the government's response plan.

**Mr. Loewen:** When?

**Ms Phillips:** I think it will be before Christmas.

**Mr. Loewen:** Okay. Thanks.

Now, you stated that the government is exploring a number of options to reduce air pollution emissions, including more stringent standards for industry, standards for vehicles, and increased air monitoring. Do you have any more information on what you've done and what you plan to do there?

**Ms Phillips:** Well, you know, we heard through the panel process a number of really interesting things in one of the technical engagement sessions on the transportation sector and on various voluntary things that can be done on air quality. You know, the panel is examining those matters, and they'll be making some recommendations, I'm sure, to us when they report to us and give us their advice.

**Mr. Loewen:** Okay. Thanks.

Moving to line 3, it talks about land, and in the next line, 3.1, we have land policy. What does the land policy budget line encompass?

**Ms Phillips:** The land policy designs and develops policy related to brownfields, contamination and remediation, pesticides, conservation and reclamation of coal mines, oil sands mines, in situ oil sands, upstream oil and gas, sand and gravel, wind power, transmission lines, pipelines, and other linear disturbances. This unit supports the implementation of the tailings management framework for oil sands mines, and it designs and develops policies and programs related to public lands management. It delivers land policy interpretation and training, and it develops policy implementation plans, supports the regional planning process, and develops and updates regulatory tools to ensure waste is managed appropriately. This is also the unit that is responsible for developing provincial recycling programs for designated materials.

**Mr. Loewen:** Okay. Thanks.

Line 4.1 is the line for water policy. What does the water policy budget include?

**Ms Phillips:** On policy, this unit is right now reviewing and renewing water policies, including our conservation policy, to provide government direction to the Alberta Energy Regulator for upstream oil and gas, oil sands, and coal sectors in support of enhancing Alberta's regulatory system. It is also supporting and developing approval and implementation of policy focused on cumulative effects management tools, particularly in the lower Athabasca, and it is also implementing actions from Our Water, Our Future: A Conversation with Albertans, where Albertans were consulted on water issues to inform policy and programs in a number of different ways.

**Mr. Loewen:** Okay. That's fine. Thanks.

Does the province's wetland policy fall under here?

**Ms Phillips:** I do believe it does, yes.

**Mr. Loewen:** Okay. When was the last time there were any policy changes for wetlands?

**Ms Phillips:** I don't believe we have undertaken any major changes as this government, but there have been some recent changes to wetland policy.

**Mr. Loewen:** I'm not talking about major change. I am talking about any changes. When was the last time that there were any policy changes for wetlands?

**Ms Phillips:** I'll defer to Acting Assistant Deputy Minister Ridge on this matter.

**Mr. Ridge:** The current policy that we're implementing that's tied to this budget is the new provincial wetland policy. It was implemented last year and went into effect in 2015 in the southern part of the province. It's an update to the 1993 provincial wetland policy, and it's an update to the policy approach of managing wetlands through approvals where the provincial policy of '93 didn't apply, which was some industrial operations in northern Alberta. Last year was when we implemented a new policy, and this budget reflects the activities to support that implementation.

**Mr. Loewen:** Okay. There are no different changes of direction for people that are managing this, then?

**Mr. Ridge:** No.

**Mr. Loewen:** Okay. Thanks.

Line 4.3, water management.

**Ms Phillips:** Yeah. I'm getting there. Thank you.

**Mr. Loewen:** No problem.

**Ms Phillips:** Yes. Go ahead.

**Mr. Loewen:** Is this line for water treatment projects?

**Ms Phillips:** I do not believe it is. They are in a different spot. This is small dams and weirs, diversion structures, canals, pumping projects, and all of the aspects of administration of the Water Act, dam and canal safety for dams and canals, with some responsibility for tailings dams. This unit also provides real-time monitoring and reporting of current and future river conditions, flood forecasting, and so on. It's the Department of Transportation that has responsibility for water treatment.

**Mr. Loewen:** Okay. Thank you.

Does it include anything to do with frac water?

**Ms Phillips:** I'm sorry?

**Mr. Loewen:** Frac water.

**Ms Phillips:** I don't believe so.

Not this unit, right?

**Mr. Ridge:** If he could clarify.

**Mr. Loewen:** The regulations and enforcement of the use of frac water.

**Mr. Ridge:** The policy would come under water policy, and enforcement would come under operational requirements, which would also be nested under that water policy item.

**Mr. Loewen:** Okay. Dealing with frac water, then: how is it regulated and enforced?

**Mr. Ridge:** The access to water is regulated through the provincial Water Act, and there are a series of requirements that have to be achieved or met to access the water. When water is injected underground, the process to approve and regulate that process is managed through the Alberta Energy Regulator, so that wouldn't be staff captured in here, but the policy direction that sets the rules the Alberta Energy Regulator would adhere to would be set through this group.

**Mr. Loewen:** And has this regulation enforcement been effective?

**Ms Phillips:** I think that's probably a question for me. So far in our analysis of these matters I have found that the department's approach is effective.

**Mr. Loewen:** Thank you.

This is line 5. I see that the fisheries management line has dropped by \$485,000. Is this a reduction simply because the money wasn't all used last year, or did the ministry find some inefficiencies?

**Ms Phillips:** Okay. Let me just pull up my notes on this matter here. You're looking at the fisheries management. Okay. Very good. That dropped from budget but not much from actual, right? That's the one you're looking at?

**Mr. Loewen:** That's right.

**Ms Phillips:** Okay. There is a little bit of a surplus in that line due to reduced discretionary spending, but then that was somewhat offset by \$400,000 for commercial fish ex gratia payments – right? – which was the matter related to the commercial fishery in northern Alberta.

**Mr. Loewen:** Okay. Thanks.

We've had conversations about the ACA and the aeration problem there. My understanding is that that's all been taken care of. Am I correct with that?

**Ms Phillips:** That is also my understanding.

**Mr. Loewen:** Okay. Perfect. Thank you.

Dealing with line 5.2, wildlife management.

**Ms Phillips:** Sure. Yeah. Please.

**Mr. Loewen:** Okay. I see an increase of \$846,000. Have costs risen, or are there new initiatives that are being brought forward?

**Ms Phillips:** On that one there was an increase because there was a credit recovery program that had an increase – I will defer to officials on what that was – and there was a fish and wildlife credit recovery program that also had a slight increase, and then there were some reductions in that area as well. There was a general adjustment as a result of the crossministry realignment for operating efficiencies, and there were some crossministry manpower reductions in that area and reductions related to decreased reliance on external providers. Again, much of this came out of just general reductions that we were keen to see coming across government.

4:20

**Mr. Loewen:** Okay. That money coming back: has it gone into general revenue or back into fish and wildlife?

**Ms Phillips:** That part I'll defer to Bill.

**Mr. Werry:** That money goes back into fish and wildlife programs. That's the credit recovery from fishing licences, hunting licences across the province, so back into . . .

**Mr. Loewen:** Perfect. Thank you.

Okay. In some areas of Alberta there is a growing problem with ungulates causing extensive damage to fencing and crops. The government can provide compensation for these losses. Is this funding from this line item 5.2?

**Ms Phillips:** I will defer there where that actual pot of money comes from.

Tom, our friends the elk annoy people.

**Mr. Davis:** We manage that program through there. Yes.

**Mr. Loewen:** Great. Thanks.

Okay. Now, I understand that the government covers the cost of damage to crops and stuff like that. Does it cover the cost of fencing? In particular, does it cover the labour costs of repairing fences from damage?

**Ms Phillips:** I will have to get back to you on that.

**Mr. Loewen:** Okay. Thanks. That's fine.

When certain species of wildlife are damaging private property, you can apply to the fish and wildlife division district office for a damage control licence. Of course, this licence provides the legal authority to hunt or trap the nuisance wildlife to attempt to minimize the damage. Is this program still active?

**Ms Phillips:** Yes, I believe it is.

**Mr. Loewen:** Okay. Because my staff recently had contact with landowners that have had no success in obtaining any of these. Has there been a change in policy or direction to the officers?

**Ms Phillips:** No, there has not. I'm happy to follow up with you on that matter if you've been contacted by your constituents.

**Mr. Loewen:** Perfect. Thank you.

Okay. Have you considered any changes to the Suffield elk hunt to ensure that all animals harvested be recorded and counted by all hunters that harvest an animal during that season?

**Ms Phillips:** Yeah. We initiated management actions to harvest up to 2,000 elk at CFB Suffield in '15-16. There were 1,300 elk harvested in '14-15, both through a special licence draw and through First Nations harvesting under treaty rights. That level of harvest was more than six times that of 2013-14. Fish and wildlife officers were present during the hunt in February 2015, and our next step is to develop both short- and long-term plans to address issues arising from these local elk herds.

**Mr. Loewen:** Perfect. Thank you.

Is the government considering using a cull method to reduce the herd size in places like Suffield?

**Ms Phillips:** You know, there's ongoing work on the size of that herd. I think I'm going to allow Deputy Minister Werry to provide additional information on what's actually on the table.

**Mr. Werry:** We'll be working towards each year a quota hunt that will be designed to drive the population down to the sustainable levels over the next five years. We've been working with the landowners in the area to try to explain that process to them. We're doing counts after each hunt, and then ultimately we'll add a quota hunt to get down to the manageable number.

**Mr. Loewen:** Thank you.

**Ms Phillips:** Member, I do have an update on this fencing matter, on the ungulate damage reduction. That program is delivered via the Alberta Conservation Association. The compensation program is administered by the AFSC, Agriculture Financial Services Corporation, and the program supplies the fencing materials and devices to producers to prevent depredation by ungulates on stored

feed supplies and establishes and maintains intercept feed sites in areas of ungulate depredation.

**Mr. Loewen:** That's good. Thanks.

In the preamble of the ministry's business plan you talk about the delegated administrative organizations. The Beverage Container Management Board and the Alberta Used Oil Management Association are two such organizations. What are the return rates for the deposit return system under the BCMB?

**Ms Phillips:** I'll have to follow up with you on that. I don't think that it's in my binder.

**Mr. Loewen:** Is the BCMB included in the recently announced ABC review?

**Ms Phillips:** All of our agencies, boards, and commissions, delegated authorities, are under differing levels of review. You know, some of them are just sort of ticking along, serving their purpose, and others need a bit more careful eye with respect to their relevance, efficiency, and cost. It is part of the overall government-wide review. We have some that are obviously more under review than others.

**Mr. Loewen:** Sounds good. Thanks.

Is the BCMB industry funded?

**Ms Phillips:** I believe it is. Yes. The Beverage Container Management Board? It is.

**Mr. Loewen:** So would it be correct to say that it may be under a different level of review than others based on that?

**Ms Phillips:** Yes, it is, because we have the APAGA. It goes under that legislation, and then there are various other delegated administrative authorities, right? As I said, there are different levels of intensity of review, but, you know, there's a large amount of government of Alberta business that is conducted outside of government of Alberta, and it's part of our careful stock-taking of what is appropriate to be run as an agency, board, or commission and what is not necessary.

**Mr. Loewen:** Perfect. Thank you.

Do you plan to introduce deposits on other materials?

**Ms Phillips:** We're going to do a stock-taking in the new year of all of our various recycling and beverage container management, if only because it's part of the agenda of the Canadian Council of Ministers of the Environment. We have a number of provinces who have differing levels, so that has been part of the conversations of the Canadian Council of Ministers of the Environment and among provinces with the New West Partnership as well to kind of standardize some of that.

**Mr. Loewen:** Perfect. Thank you.

Now, Alberta depots produce clean, recyclable materials. This is a provincial resource. Is your department doing anything to encourage in-jurisdiction use of these resources?

**Ms Phillips:** Again, I think I'll answer that by saying that with the CCME we've had a grand total of two meetings. However, the issue of recycling, producer responsibility, all of that stuff is under discussion for co-operation interprovincially, and those efforts will be undertaken in the new year.

**Mr. Loewen:** Perfect. That's fine.

On page 47 under desired outcome two the phrase "social equity" is used. Can you define for us the term "social equity?"

**Ms Phillips:** You know, "equity" is a term that often encompasses an outcomes-based look at social policy or fiscal policy, so you are looking at equitable outcomes. Does everyone have an equal opportunity to participate and grow the economy in the same ways? Do we all have access to good, clean drinking water, educational opportunities? All of those things underpin our ability to participate meaningfully in social life.

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

Can you explain how economic diversity through a green economy can improve social equity?

**Ms Phillips:** Well, you know, as we diversify the economy, we provide more jobs and more ways for entrepreneurs to do what they're good at, which is solve problems in Alberta. We have a number of ways that we can incent that innovation, whether it's through recycling efforts, as you were just talking about, whether it's ways that we can reduce our greenhouse gas emissions in a variety of different industries, or whether it's ways that we can build on our strengths and build a greener energy future.

**Mr. Loewen:** Okay. Thank you.

What is your vision of a green economy?

**Ms Phillips:** Well, you know, we're going into a time of carbon competitiveness, and our colleagues in the oil sands sector and in the conventional oil and gas sector will recognize that Alberta's products compete in a carbon-constrained and carbon-competitive world. Those are conversations that have taken place at the technical engagement level for the climate change panel. At a very deep level there have been several technical engagements with various aspects of the oil and gas industry undertaken by the panel.

**Mr. Loewen:** Okay. Do you have a systematic plan to make this shift to a green economy?

**Ms Phillips:** You know, those are things that we asked the panel to consider, where the economic development opportunities were as we move forward with a suite of policies that will allow us to compete.

**Mr. Loewen:** Okay. Now, it also states that the green economy is driven by public investments that reduce carbon emissions. What are these public investments?

**Ms Phillips:** Well, you know, "public and private investments," it says. We have a capital plan, for example, that builds upon the efforts that have come before us, and within that capital plan we are going to be looking at ways that we can ensure that we are building efficient buildings and ways that we can contribute to the economy that way.

4:30

**Mr. Loewen:** Okay. Thanks.

Going to desired outcome 3 on page 48, under priority initiative 3.1 it says: "leading initiatives to create new parks, or expand or reclassify existing parks." Can you tell us how many new parks are to be created?

**Ms Phillips:** The lower Athabasca regional plan document contained within it some parks, and we are working with First Nations right now.

**Mr. Loewen:** What I'm asking is: how many new parks are to be created?

**Ms Phillips:** Well, the lower Athabasca regional plan contained within it a few proposals for new parks. I can't remember how many.

**Mr. Loewen:** Can you provide that for us?

**Ms Phillips:** Twelve.

**Mr. Loewen:** That's the lower Athabasca. We're talking about Alberta here.

**Ms Phillips:** Well, I mean, right now we are looking at what we are going to do with the lower Athabasca regional plan. It had some proposed new parks in it. But then there were some First Nations who initiated a review of the lower Athabasca regional plan, so we are going to consult with them on those parks.

**Mr. Loewen:** When will you know which parks are going to be created and which aren't?

**Ms Phillips:** Well, we're waiting for the review process to come to a close, and then we will be working co-operatively and in consultation with them.

**Mr. Loewen:** Okay. Thanks.

Can you tell us which parks will be reclassified?

**Ms Phillips:** No. I don't think we have much in the way of a plan for that right now.

**Mr. Loewen:** Do you know how many parks will be reclassified?

**Ms Phillips:** I'm going to defer to the deputy minister. We don't have any explicit, big plans to reclassify right now for large announcements if that's what you're asking.

**Mr. Donelon:** Are you asking for LARP or for the entire parks system?

**Mr. Loewen:** The entire parks system. What I'm going by is what I see here. There's a plan to "expand or reclassify existing parks." I'm asking: which parks will be reclassified? What is in your plans to reclassify? Now, if you can't provide it right now, then just please provide it later.

**Mr. Donelon:** Yeah. Some of those are associated with the South Saskatchewan.

**Mr. Loewen:** That's good. Yeah. Thanks.

Now, do you have any budget for these initiatives?

**Ms Phillips:** This is within the existing parks budget. It should be noted, too, that the business plan is over a three-year period – right? – not a one-year period.

**Mr. Loewen:** Yeah. Thanks.

Okay. As you know, there was some dissatisfaction with the serious lack of public consultation on the Castle area. Can you explain to us the process for consultation with municipalities, industry, and individual Albertans that will be undertaken with these new initiatives?

**Ms Phillips:** The park management plan is a very robust and lengthy consultation process that will begin in January/February of this year and will contain a large amount of input from

municipalities, from grazing associations, from landowners, from those who hold grazing leases – I think I mentioned them – and, of course, watershed groups and others. We must not forget that everywhere in Alberta is a busy landscape, and there are a number of different recreational uses in that space.

**Mr. Loewen:** Okay. Thank you.

We'll go to priority initiative 4.1, under desired outcome 4 in the business plan.

**Ms Phillips:** Yes.

**Mr. Loewen:** This has been an ongoing priority of the government for a number of years, the flood mapping. In fact, it's been going on since the 1970s, and obviously it has been of great importance since the catastrophic flood of 2013. What point are we at in the process, specifically?

**Ms Phillips:** What this budget supports – I'm just going to pull this up – is the new flood hazard mapping.

**Mr. Loewen:** What point are we at in that process?

**Ms Phillips:** We recently commissioned five new studies to identify river hazards and produce the new flood inundation and flood hazard maps. Those ones focus on the Bow, the Elbow, the Sheep, the Highwood, and the Peace. In total, that's 520 kilometres of river that will be studied and mapped. The province currently has about 1,100 kilometres of river mapped.

**Mr. Loewen:** Okay. What is the timeline to completely update the mapping so that it's as up to date as possible?

**Ms Phillips:** I'm going to defer on the timeline on that because there are some pieces that we have to put in place here. One of the important pieces is that as we build through the community resilience program, the community-based mitigation, whether it's berms, diking, and other undertakings, then that has an effect on how the river moves.

**Mr. Loewen:** A timeline?

**Ms Phillips:** In terms of its completion date I don't know if Andy has a thought on it.

Do you know?

**Mr. Werry:** Just to be clear, at this point approximately 70 per cent of Alberta's populated areas have already existing flood hazard maps, and we've allocated \$8.7 million over a multiyear period to continue with the studies. In the minister's opening remarks she talked about 520 kilometres this year.

**Mr. Loewen:** Okay. But you said: 70 per cent.

**Mr. Werry:** Seventy per cent of the populated area of the province.

**Mr. Loewen:** And the timeline to do the rest?

**Mr. Werry:** That is already existing. What we're doing is taking a risk management approach to the rest of the mapping, so the highest risk areas will be mapped first, and that map work will be done by the spring of 2017.

**Mr. Loewen:** Okay. Once this is complete, will the mapping be updated yearly?

**Mr. Werry:** It's a highly technical process, and the recommended standard would be every five to 10 years in updating the maps.

**Mr. Loewen:** What's the total cost of this mapping?

**Mr. Werry:** As I've indicated, we've budgeted \$8.7 million – that's in this year's budget – to deal with that mapping endeavour.

**Mr. Loewen:** Will the flood mapping provide the basis for better informed decisions on what flood projects receive consideration?

**Mr. Werry:** The mapping is the technical baseline, and then that will allow for additional decision-making on the part of both municipalities and the province.

**Mr. Loewen:** Okay. Is the mapping updated enough to form a basis for the decision on funding of the Springbank dam or other proposed projects?

**Mr. Werry:** Yes.

**Mr. Loewen:** Okay. Thanks.

Line 7.1, program support. This is in parks.

**Ms Phillips:** Are we back to the estimates?

**Mr. Loewen:** Yes.

**Ms Phillips:** Okay. Under parks?

**Mr. Loewen:** Yes. Line 7.1. While program support has increased from the previous budget, it is still below what was actually spent last year. Is this line primarily for interactive programs for parks guests?

**Ms Phillips:** That piece, the parks program support, is actually the co-ordinating divisional priorities providing strategic leadership and financial direction for the division, remembering that parks aren't funded out of general revenue, right? When you pay for your camping or what have you, it goes into the parks division.

**Mr. Loewen:** Okay. Will this funding be enough, considering that line 7.2 was cut by about a million dollars?

**Ms Phillips:** Yes, I think, is the short answer. There were some crossministry manpower reductions, and there was some realignment of priorities. You know, we gave departments direction that they were to look for efficiencies, and they did.

**Mr. Loewen:** Okay. Thanks.

So we can be assured that the quality of experience of our Alberta parks visitors won't be diminished by the cuts?

**Ms Phillips:** Yes. The parks experience and the ability of families to avail themselves of those high-quality outdoor experiences are a priority for me as a minister and for this government.

**Mr. Loewen:** Perfect. Thanks.

Line 10 deals with science and monitoring. Under line 10.1, environmental science, last year's budget of almost \$16 million has no budget this year. Has this line item been amalgamated somewhere, or was this a one-time line expense?

**Ms Phillips:** Again, this is the transferring of monitoring activity to AEMERA.

**Mr. Loewen:** Okay. Now, line 11 is the Alberta Environmental Monitoring, Evaluation and Reporting Agency, and under 11.2 the budget was increased by \$19 million. Of course, that's quite a bit of money. What can we expect in the way of performance measures for this increase to ensure monitoring is accurate?

**4:40**

**Ms Phillips:** Deputy Minister Werry has overseen the transfer to AEMERA, so I'm going to defer to him on what the actual changes involved.

**Mr. Werry:** Just to be clear, you noted above in 10.1 that \$15 million disappeared. It showed up down below in the grant to AEMERA. Of the staff from the ministry who were doing monitoring work, many of those staff were transferred to AEMERA. That's covered in the form of what is now a grant to the organization. There's no material decrease in the monitoring activities that were undertaken previously by the department.

**Mr. Loewen:** Thanks.

Moving on to capital grants, despite zero funding for line item 13.5, community stabilization, in the budget portion, the grant portion of community stabilization has increased from \$25 million to over \$70 million. Can you explain what is being built with these funds?

**Ms Phillips:** Yes. Just give me a moment. You're under 13, are you?

**Mr. Loewen:** Yeah, 13.5, page 115.

**Ms Phillips:** In line 13.5, community stabilization, we had some pieces for the Alberta community resilience program, which is, of course, the community-based mitigation: diking, berming, and so on. There was an increase for the Bassano dam irrigation district, and there was an increase for deferred flooding on the flood recovery erosion control program. Some of these things are still inheritances from 2013 as well, and there were also some other adjustments related to capital for the town of High River.

**Mr. Loewen:** Thank you.

We'll go back to the business plan here. Now, in desired outcome 2 on page 47 in the preamble it states that the Alberta government will utilize "economic instruments to catalyze . . . the growth of a green economy." What economic instruments does the government plan to use?

**Ms Phillips:** Well, many of our policies related to climate change, of course, are under review by the panel. We anticipate receiving their advice very soon. But I will say that right now we do have the climate change and emissions management fund and the Climate Change and Emissions Management Corporation, which, of course, is an instrument that invests in important GHG and other environmentally friendly projects within the space of technology and innovation, both within the energy industry and outside of it. That fund was, of course, established by the previous government, and it's where the proceeds of our current carbon price are housed.

**Mr. Loewen:** Okay. This panel that you keep referring to: is there any communication between you and that panel at this point?

**Ms Phillips:** Yes. We speak to one another quite often.

**Mr. Loewen:** Have they identified to you any economic instruments that they intend to use or are suggesting?

**Ms Phillips:** Well, as I said, the panel is examining the matters of our current carbon price; how we retire our coal fleet in an orderly fashion over a period of some years, a very long time horizon; how we appropriately incent the development of renewables; and how we appropriately support efficiencies.

**Mr. Loewen:** You used the word “incent.”

**Ms Phillips:** Yes. Almost everything that a government does incentivizes some behaviour over others, so you know, the idea here is that we design appropriate policies that interact appropriately with the kind of market that Alberta has.

**Mr. Loewen:** Okay. So you're in communication with this group, with the panel, and there are economic instruments being discussed.

**Ms Phillips:** Well, yes.

**Mr. Loewen:** Will you share them with us?

**Ms Phillips:** Yes. They are how we price carbon and whether the current situation is achieving our desired economic outcomes, how we retire the coal fleet in a way that is fair to consumers and companies and communities, how we incent the development of renewables, and how we ensure appropriately designed energy efficiency programs for the province. Those are the matters the panel is examining.

**Mr. Loewen:** Okay. Are these economic instruments strictly punitive levies and penalties?

**Ms Phillips:** Absolutely not. There are a whole bunch of different things that other provinces do. You know, part of the good thing, for example, about being late to the party on energy efficiency is that we have the benefit of learning from other jurisdictions who have undertaken these matters earlier than we did.

**Mr. Loewen:** So what are some of these that aren't punitive levies or penalties?

**Ms Phillips:** Well, you see a lot of this feedback in the submissions to the panel coming from every possible industrial sector who have provided us with feedback on how we might price carbon, retire our coal fleet, transition to renewables, and engage in a more robust energy efficiency and demand-side management strategy for the province.

**Mr. Loewen:** So is there any particular jurisdiction that you're looking towards as far as a pattern?

**Ms Phillips:** Well, you know, there are a number of different jurisdictions who have undertaken these efforts. One only needs to google it and one can have, for example, a world at your fingertips of efforts that have been undertaken in the United States, around the world, and indeed in every other province in Canada on the efficiency side.

**Mr. Loewen:** Do you not think that the carbon tax is punitive?

**Ms Phillips:** We price carbon currently, as you know, through the specified gas emitters regulation.

**Mr. Loewen:** Do you consider it punitive?

**Ms Phillips:** I believe that we have taken the position as a government that . . .

**The Chair:** I apologize for the interruption, Minister. The time for this portion has concluded.

I would now like to invite members of the PC opposition to share the next 20 minutes with the minister. My understanding is that Mr. Fraser and Mr. Starke will be splitting the time. Would you like to be advised at the 10-minute mark?

**Dr. Starke:** That would be great.

**The Chair:** Thank you.

**Mr. Fraser:** Thanks very much, Madam Chair, and thanks, Minister, for sharing some time. I've said before in other estimates, you know, that a lot of the work that happens behind the scenes, where a lot of credit doesn't come due, is in the civil service. It's good to see some familiar faces flanked to your left and your right. We know that they work extremely hard and care quite a bit about their province, as they are raising their families and living in this province as well. It was always a pleasure to work with them.

Specifically, from our caucus, I mean, we do care. Obviously, my skin in the game is my two kids, and I mean what I say, that whatever we do on the environment, my kids and my family will inherit. You know, when we look at your business plan and we look at some of your performance measures, can you kind of highlight the difference, I guess, between before and after you took office? Are there any specific highlights that you could say when it comes to those performance measures that are quite a bit different?

**Ms Phillips:** We left most of the performance measures in place because, as I'm sure you know, the development of performance measures – I don't know if I quite appreciated the work that goes into them, you know, just reading a business plan as a layperson prior to taking office – is quite an undertaking. That work is ongoing in developing new performance measures. Certainly, for this Budget '15-16 and this particular business plan we used the performance measures that had come to us previously.

The one thing that we did was that we put a note in there distinguishing the air quality index from the new Canadian ambient air quality standards, and that was because that is a new initiative under the auspices of the Canadian Council of Ministers of the Environment. We wanted to make sure that we were very clear on the differences between the two measures.

4:50

**Mr. Fraser:** Thank you.

You mentioned the air quality health index. Minister, can you just give me a quick overview of what that scale – it is a scale of 1 to 10, if I'm correct?

**Ms Phillips:** Yes. On this matter and any technical questions I will defer to Assistant Deputy Minister Ridge.

**Mr. Fraser:** Sure. So when we look at that scale, I mean, obviously it is a moving number day by day. Am I correct in that?

**Ms Phillips:** Yes. That I can confirm.

**Mr. Fraser:** Okay. Good. Is there a ranking, I guess, of where Alberta stands comparatively to other provinces at this point, or is that always a moving scale as well?

**Ms Phillips:** The AQHI is the real-time tool that is used to inform the public. I believe there is a national standard to that as well, but I'll defer on the technical aspects of that.

**Mr. Fraser:** Right. Again, just on air quality. I guess if you're looking at it on average in a typical city, Calgary or Edmonton, where would the number lie on that scale of 1 to 10 on a day-to-day basis?

**Mr. Ridge:** If we're talking air quality health index, that's going to vary due to a variety of factors that influence health. It's not just industry; it's weather patterns; it's variations. Typically, I think



we're comparable in that to most other jurisdictions or better, and that's reflected in the air quality index, which is more a general state of Alberta's air quality, which is generally trending good.

The exceedances that have been identified are average changes in not hourly or day-to-day circumstances but trends. At any given point in time Alberta's air quality based on the air quality health index would be ranked low in the positive for Alberta and jurisdictions in Alberta, similar to the air quality index, which maps an annual trend as usually good. But the trends that we're seeing are with certain factors like vehicles in certain areas of the province because of climactic and other variations. There's a trend towards certain circumstances where the trend is maybe in the negative.

**Mr. Fraser:** Thank you for that.

Obviously, things like forest fires would also impact that stuff. It's not necessarily man-made; it's just happenstance or circumstance.

**Ms Phillips:** Yeah. That'll be under the air quality health index piece. But the ambient air quality standards is an average over a period of time, and they take out some of those anomalous days – right? – like forest fires or maybe there was an industrial event or something like that. They take that out because it's a measure of particulate matter.

**Mr. Fraser:** Thank you.

Again in the strategic plan I guess there's been a bit of a narrative of former to new and, obviously, some significance put in your business plan in terms of what you want to do. We've talked about the air quality index, and the other important matters are water, soil, earth, and so on. Is there any highlighted area in your business plan that you've indicated from the past where maybe something had been missed or something that needs dire attention right now in terms of, for instance, air quality? Where is that in the business plan? Typically, in what we've heard so far with air quality, the ambient air quality is usually good. I mean, there are some trends that need to be – is there something in the business plan that highlights that so that Albertans can see, you know, where you're headed, the direction?

**Ms Phillips:** Yeah. I mean, we take this matter really seriously, the interaction between environment and health. That's why desired outcome 4 is, "Protected public health and safety from environmental conditions and events," so that we can work with Health to assure the public that they are protected now and in the future from adverse effects of environmental conditions. Of course, drinking water facilities that do require approval under the environmental protection act are regulated under this ministry. There are other public health and safety pieces that are administered under the EAP as well, with dam safety and other undertakings. So that is a key strategic direction for the government that we discuss, the health impacts of, for example, poor air quality. We ensure that we're being, you know, pretty upfront with the new standards that we just received at the end of the summer.

**Mr. Fraser:** Thank you, Minister.

Just when we think about air quality, obviously, as you mentioned, coal plays a role in that. You said today: somewhat of an accelerated plan. Now, we know that there are four plants coming off in 2019, then we've got one in 2036, 2039, 2040, 2044, 2055, and 2061. So there is a plan, obviously, to move some of these, Minister. First of all, what is the quality of the coal that we're burning, and what kind of coal is it? Is it on the clean end of the spectrum or the dirty end of the spectrum? When you say, "somewhat of an accelerated plan," are you basing that just on what

the climate change panel brings back to you or, again, based on other business plans and the experts to your left and your right? Are you going to rely on that? Are we talking about maybe curving this by one year, five years, 10 years as we get closer to each one of those numbers? Can you give me an explanation?

**Ms Phillips:** Sure. Well, the panel undertook a number of technical engagement sessions and really did a very deep dive with the coal-fired electricity incumbents. Of course, you have probably reviewed their submissions to the panel as well, and they have thoughts on how we can accomplish this goal. The panel is preparing their advice on this, and they've done some modelling. In all of this, our priority is to ensure that we're dealing fairly with communities, with consumers, and with the companies. This is an international undertaking, the phase-out of coal-fired electricity. I don't have it in my notes, but I believe that it is subbituminous coal that is burned in Alberta, and that has impacts for its mercury content and so on. But those regulations, in addition to the NO<sub>x</sub> and SO<sub>x</sub> have undergone ongoing updating with respect to air quality and the federal government's regulations on these matters as well.

**Mr. Fraser:** Thank you.

Just to switch a little bit, I'm just going to go into some flood questions. Your deputy has said that currently 70 per cent of the population has already been mapped, and I think we're pretty clear what the science has said, you know, from the last flood.

**The Chair:** Ten minutes remaining.

**Mr. Fraser:** Ten minutes. Okay.

So on that particular issue we do know from the last flood that however those flood maps were, with pretty much all of the water, except for one segment of High River, that's where the water went. Just to be clear in terms of the strategic plan, you had mentioned, Minister, that the flood modelling would change based on mitigation. Now, correct me if I'm wrong, but flood maps don't take into account mitigation in terms of where a floodway is or a flood fringe. It doesn't change it. The floodway is going to remain consistent, and so is the flood fringe. Mitigation is a layer of protection, but it can fail for development and stuff. Correct me if I'm wrong on that.

**Ms Phillips:** This is a bit of, you know, an area where I'm learning. Go for it, Bill.

**Mr. Werry:** Just to be clear, the mapping is the mapping, the floodway is the floodway, and the flood fringe is the flood fringe. It doesn't take into account mitigation measures. So it really does raise a policy question. Once you undertake berms and mitigation and whatnot, what does that do from a policy perspective about development considerations in those areas? So it's something that's under active discussion at the moment.

**Mr. Fraser:** Right. I guess that the point is – I understand that it's extremely difficult and it's hard for the department, having worked with them in the past. It's just in terms of cost. You know, policy equals cost at some point. I think that the one thing that would be hazardous is to give people the sense that because something is mitigated, there's ultimate protection. Clearly, there's not. I mean, obviously, that would have to be indicated to the public. That's all.

Thank you for your time. I appreciate it.

I'll just hand it over to my colleague now.

5:00

**Dr. Starke:** Yes. Thank you. Thank you, Chair. Thank you, Minister. Minister, I just want to tell you that my questions will be

primarily on your responsibility for Alberta parks. I want to tell you that this was an area that I had just the privilege of working with Mr. Donelon and Mr. Statt on, and I'm sure you have had the same experience, that these individuals and the whole parks department are extremely dedicated. You know, this is a great part of your ministry.

I want to talk a little bit, first of all, about the Castle wilderness area. I'm also referring to the business plan, page 48, under desired outcome 3. We were pleased to see your announcement on the Castle wilderness area, the protection of it, and the Crown of the Continent and the importance that that has as an ecological area. Nobody would argue with that, and having toured extensively through that area, it's good to see that there's forward movement on it. I guess my question is: Minister, what is the plan with regard to some of the areas of challenge that you talked about in your opening comments with regard to conservation, preservation, recreation; for example, random camping, off-road vehicle use, grazing leases? We'll talk about logging in a second, but let's just start with those three.

**Ms Phillips:** Yeah. Those are great questions. Yes, I often say that Parks is, of the many jobs, one of the best parts, and it's the one part that my kids can get their head around; otherwise, I think they think that I'm the minister of littering.

We inherited a landscape that was not 1955 but 2015, right? We have a bunch of competing pressures within that space. You know, we've begun some preliminary conversations with those who use the space and the municipalities around it on what they want to see, and that, of course, will go through the formal process in January and February. There is no question that not everyone is going to get everything they want in this.

That's always the case in conservation discussions – right? – which is why we left the grazing leases in place there. I actually don't believe that they're inconsistent with conservation principles and good management. Of course, when you have something under parks protection, new leases need to be given careful consideration, but I have not seen any leaseholders' activity in there that causes me any concern so far. We've left open the question of hunting as well. There is some that goes on there.

**Dr. Starke:** Well, as you know, it happens in a number of other provincial parks, especially grazing, and, as you said, it is entirely consistent with the mandate of Parks.

I want to ask a little bit, though, about logging. As I understand it – and you can correct me if I'm wrong – logging will now completely cease in the Castle wilderness area. I guess my concern is: what exactly is the plan, then, for wildfire mitigation? Is it going to be controlled burns? Is it going to be: let the mountain pine beetles eat it? Or are you just going to wait for a wildfire to wipe things out?

**Ms Phillips:** Selective harvest and wildfire mitigation happen in other provincial parks, and this one will be no exception. As we go through the parks management plan, that will form part of it. Fire suppression and other activities that happen in other provincial parks: that planning will also happen in the Castle. As for other activities like Christmas trees, teepee poles: those are all still permitted uses.

**Dr. Starke:** Okay. Just so that I'm clear, there is a plan – or you anticipate that there'll be a plan – for some degree of logging for wildfire suppression. Is that correct?

**Ms Phillips:** Yes. Certainly, there is a forested area. The issue that many people identified to us was the issue of full-scale commercial

logging. That was what was identified, and that was why the previous government put it on hold for a couple of years given the public conversation around that activity. You know, for us, we just took the decision that we would bring that hold forward, yes.

**Dr. Starke:** Minister, can you just confirm: is Spray Lake Sawmills going to be compensated for their loss? During estimates in Agriculture and Forestry your colleague said that there was no compensation going to be paid to Spray Lake Sawmills.

**Ms Phillips:** The permit is, or was, a C5, not a forestry management agreement. The advice has been that there is at this time no compensation due. That is not to say that we are not undertaking conversations with Spray Lake.

**Dr. Starke:** Okay. Great. Minister, I'd like to ask about, under 3.2, implementing the “provincial recreational trails pilot project [to] generate recreational, active living and environmental benefits.” That's something, certainly, that I'm also quite familiar with. I'm just curious to know what the status of that pilot project is. It was announced in 2014. It was supposed to be for two years. Is it continuing past 2015? If so, what is the level of funding? Could you give us just a very brief update on how things are going with that? I'm asked that question by people who are very interested in it.

**Ms Phillips:** Yeah. I'm also very interested in it, and I would like to see it carried forward. I want to make sure that we've got the right resources behind it, and that's a matter for when we turn our minds to the next budget. We will be ensuring that, hopefully, we will have the right resources to support that program.

**Dr. Starke:** Minister, I just wanted to mention, under 3.1 – and I have to applaud you for mentioning Plan for Parks. I want to just point out that you're the only minister – this is my fifth session of estimates – that has made any reference in the business plan to a previous foundational, long-term planning document. I want to congratulate you for continuing, you know, work that was done in this area because I do think it's very sound. I'm a little disappointed that a lot of the other foundational documents have not been continued.

I do want to follow up on one specific area, and that's the Writing-on-Stone provincial park, not far from where you are. The First Nations interpreter mentorship program, which won a national award about a year ago: is that program being continued? If so, where is it funded from? Is it contemplated to be expanded to other provincial parks?

**Ms Phillips:** I am informed that it is being continued. I'm massively conflicted on this. One of my good friends was the interpreter last year, and she enjoyed it very much. It's a great program.

I do want to just provide a little bit more information from Deputy Minister Werry if you'll indulge it.

**Mr. Werry:** Thank you. We are obviously continuing with that program, and we do have some other plans to work with other First Nations on a number of connections to the parks land base. Yes, we're in that game.

**Dr. Starke:** One final question. Cost recovery on parks operations: Minister, what is the current level of cost recovery on parks operations, and what strategies do you have to improve on that?

**Ms Phillips:** Let me just pull that up. I have a whole note on it somewhere, and I want to make sure that I get the numbers right.

**Dr. Starke:** Sure. You can get that to me later.

Do you have any strategies in terms of making parks more accessible to groups that are currently underrepresented in parks visitation; for example, new Canadians, folks with disabilities? That's all covered in Plan for Parks, in the accessibility strategy, which I think is another thing that you can be very proud of.

**Ms Phillips:** Yeah. I want to continue those initiatives. We're going to look at the – you know, last year was a record year for people using parks, so we did have some more revenues coming in. We're going to look at what we can support under that. I would love to have more investments in parks in exactly those kinds of programs.

**The Chair:** I apologize for the interruption, Minister. The time has concluded.

I'm going to call now for a five-minute break, and I would ask that everybody return here. At 5:13 we will be starting. Thank you.

[The committee adjourned from 5:08 p.m. to 5:14 p.m.]

**The Chair:** I would now like to call the meeting back to order. If everyone could please take their seats, I would like to return to the meeting.

At this time it's the independents' and others' opportunity to speak. My understanding is that the representative and leader of the Alberta Party will be sharing his time with Ms Drever. Is that correct?

**Mr. Clark:** That's correct. I'll be 10 minutes, she'll do her 10 or less, and Dr. Swann will take the last 10 when it comes around.

**The Chair:** Thank you very much.

**Mr. Clark:** Thank you.

**The Chair:** Will you be exchanging your time with the minister?

**Mr. Clark:** Yes, please.

**The Chair:** Thank you.

**Mr. Clark:** Good afternoon, Minister. Thank you for being here. Thank you to your officials as well for your attention and attendance here this afternoon. I will start, not surprisingly, to talk about flood mitigation projects and in particular the Springbank project.

First, let me just say that I appreciate the process that you went through in consideration of that project as compared to other projects. I know that a tremendous amount of work has gone on within your department in considering the best way to mitigate flood risk in the Elbow River valley, and I know that there were several projects considered. The project you chose was not the project you campaigned on in May of this year, but you decided, based on the best evidence available, to choose the Springbank project, which I agree is also, I believe, the best project. For that, I think that you and your department deserve credit.

Specifically, I wanted to ask you about the timelines for the Springbank project. Have there been formal timelines established for the completion of that project?

**Ms Phillips:** I'm going to defer to Deputy Minister Werry on this matter because he has more of the technical information in terms of construction and so on than I do.

**Mr. Werry:** To be clear, since the project was announced, the construction phase of the project moves to Transportation. We have received agreement from the landowners to access the land to undertake an environmental impact assessment. The environmental

impact assessment has to take a year because you have to do that assessment over all four seasons. That work has started. Then the anticipation is that with favourable, detailed engineering work the project would begin construction early in '17, late '16, and then with potential completion for late '18, early '19.

**Mr. Clark:** That's fantastic news. Thank you very much. You've answered my second question, which is about the environmental impact assessments.

**Dr. Starke:** He's good.

**Mr. Clark:** He's very good.

**Ms Phillips:** I know.

**Mr. Clark:** He anticipates my every question. Thank you.

I'm going to move on, then, to page 49 of the business plan and ask again about mapping. I just want to get some more clarification on how mitigation like Springbank and other mitigation efforts will factor into the flood hazard mapping program? Is that something that's considered? Is there a map that's done of: this is the floodway, and this is the flood fringe absent mitigation? If mitigation is done, is it remapped based on where flows are under a mitigated scenario?

**Ms Phillips:** I'll defer to Deputy Minister Werry on this.

**Mr. Werry:** Again, just to be clear, from a technical point of view, the floodway is the floodway; the flood fringe is the flood fringe. You don't actually take the mitigation measures into consideration for the purposes of the technical exercise of mapping. It doesn't change the mapping per se. It does, however, raise the question relative to the risk associated with development in either the floodway or the flood fringe. That's a policy discussion that government is, obviously, actively engaged in at this point and that we'll need to consider in consultation with municipalities as well.

**Mr. Clark:** Great. That does lead into my next question. The next bullet point under 4.1 is the flood development regulation limiting future developments on provincially mapped floodways. As you consider that in the context of mitigation and as you work, I presume, with Municipal Affairs on working out the specifics there, have you considered and will you consider grandfathering and how existing development on that floodway will be impacted going forward?

**Ms Phillips:** Thank you for that question. This matter of flood development regulation as it pertains to the co-operation between these two departments is a matter that is under active consideration. I anticipate that we will be able to bring forward a more comprehensive policy at some point in the new year. It is a policy question and a policy direction from cabinet. Government is actively considering how it will move forward with this right now.

5:20

**Mr. Clark:** What I would advocate is that as you do that, please consider the long legacy of development that has been allowed in many of those areas. Whether it should have been in the sands of time I think is a different discussion. Given that it's there, impairing future ability for landowners and homeowners to actually renovate and change their properties, I think that it's something that we need to be very mindful of, especially if mitigation measures are in place.

**Ms Phillips:** Those are precisely the matters that animate the conversation.

**Mr. Clark:** Great. I imagine they would. “Animate” is a great word.

Are you still considering special policy area zoning as a way of specifically identifying property that may lie within the floodway or flood fringe according to the maps but, given the mitigated reality, are at far less risk of flood inundation under any circumstance?

**Ms Phillips:** Again, this is going to be unsatisfactory to you, but these are policy decisions that are under active consideration.

**Mr. Clark:** I’ll keep down this line of questioning, then.

As you work with Municipal Affairs and with Infrastructure – this is, I guess, a tripartite kind of thing – the 17 floodway buyout properties, specifically within my constituency: the good news is that demolition on those properties has been suspended. Are you engaged with Infrastructure or Municipal Affairs in discussions on the policy around those properties?

**Ms Phillips:** Yes. Yes, we are. That one has mostly been led by Municipal Affairs and Infrastructure. However, I have also had conversations with the mayor of Calgary and others on that, and I think, again, it’s fair to say that the three departments are working together and with the community as well. As we move forward with the various policy decisions that must be made around this, certainly, because you’re the local MLA, we will be talking to you about that as well.

**Mr. Clark:** Perfect. Yes, I very much appreciate that and would encourage you also as much as possible to engage the community associations in those two neighbourhoods.

The last bullet point under 4.1, the Alberta community resilience program. As you go forward, I’ve noticed there are several small berming projects. There’s a project to fortify the Calgary Zoo. The Calgary Stampede has had some significant work done. Will the mapping account for the impact of river channel narrowing? A lot of that water in 2013 flowed in places that it won’t flow again, given one-off mitigation efforts that have happened, I presume, under the community resilience program. Is that something that you’ve taken into consideration?

**Ms Phillips:** Again, I’ll defer to Deputy Minister Werry on this.

**Mr. Werry:** We’ve been working very closely with the city of Calgary, our engineers and their engineers, on what the impact is of all of the mitigative work that’s going on in Calgary. When the announcement was made relative to Springbank, there was an announcement also that we’d be creating a bit of a task force to talk about the Bow and all of the mitigation work that has gone on along the Bow, to consider the potential impacts all the way down that river basin. So we are working with the city of Calgary on those questions.

**Mr. Clark:** Okay. Perfect.

There was a report done by the Auditor General, March 2015. One of the key recommendations was to align the work between departments. Page 83 of that March 2015 report identified six different departments that had something to do with the flood file. Is there any sort of formal process that you’re following that ensures all of that work – we’ve talked about two or three examples here this afternoon – is aligned and that everyone is working on the same page?

**Ms Phillips:** This is a question that I think rightfully falls to how the departments organize themselves, so I will let Deputy Minister Werry answer it.

**Mr. Werry:** Yes, we have created a deputy ministers’ committee on public safety matters, including all of the recommendations that came from the OAG on flooding and flood mitigation and so on. There are, I think, actually more than six departments engaged in that.

**Mr. Clark:** Good. You’ve done such a wonderful job of answering my flood questions that I’ll ask a different question.

On page 46 of your business plan is priority initiative 1.1, improving water management and quality. Have you done an in-depth look into water quality on First Nations, and have you worked with aboriginal and First Nations groups on water management and water quality?

**Ms Phillips:** Of course, the issue of water on First Nations is jurisdictionally the home of the federal government, and I know that Aboriginal Relations has undertaken some efforts on water policy, and that has come through the South Saskatchewan regional plan as well, certainly in southern Alberta. I can’t really speak to what’s happening in other departments.

**Mr. Clark:** I’d just encourage you to work crossjurisdictionally as best you can.

I’ll hand it over to Ms Drever. Thank you.

**Ms Drever:** Thank you. The flooding in 2013 affected communities all across southern Alberta, many of whom are still worried about the possibility of future flooding. During the 2013 flooding five Albertans lost their lives, 32 communities needed to be evacuated, upwards of 80,000 people were directly impacted, 4,000 businesses were affected, and thousands of homes were damaged or destroyed. In my riding of Calgary-Bow even today I have constituents whose homes are still damaged, and this has had a profound impact on our community, as I’m sure it did on others affected by the flood. I still often hear from my constituents in Bowness who are worried about a future flood that could once again affect our homes and businesses. Could the minister speak to what funding is available in this budget, other than the funding for the Springbank option, for these additional communities also affected by the 2013 flood?

**Ms Phillips:** Thank you. On the matter of the Bow River, when we announced the Springbank project, we also made a few announcements related to the Bow. So far \$94 million has been invested in flood mitigation and protection projects along the Bow, and we are committed to working closely with the Bow basin communities to determine which community-led initiatives could be undertaken going forward. As part of the Springbank announcement we also committed \$150 million over 10 years for flood protection work within the city of Calgary to be carved out of that community resilience program, and we made that commitment to protect the Calgary Zoo as well, which I know is not the only one.

The other piece on the Bow is that we struck a task force that will include the city of Calgary, the Bow River basin group, WaterSmart, the irrigation districts, TransAlta, and local First Nations to assess the options for future flood protection along the Bow. That was very welcome by the city of Calgary because there are a number of different ideas out there on what needs to happen along the Bow, but we thought that the right way to move forward for the city of Calgary was to at least make a funding commitment through the CRP over a period of time so that they would know some dollar figures with respect to what kinds of projects they could fund, and we would have a look at water management up in the mountains, where the Bow comes from, and we would do that in a

multistakeholder way, which was a collaborative approach that they appreciated very much.

If that doesn't work, then, you know, we will have to have more conversations on other pieces, but so far that approach, we believe, is the most cost-effective way that we can ensure flood protection is in place in the shortest time frame as well.

**Ms Drever:** Okay. Two years after the 2013 flood I still have constituents coming into my office who have yet to receive any financial assistance from the disaster relief programs. Could you talk about funding that was available for Albertans that are still in need of DRPs?

**Ms Phillips:** The DRP is housed within Municipal Affairs, so I don't like to step on other ministries. There was an announcement recently that Minister Larivee did make on this subject of DRP files.

**Ms Drever:** Okay. Thank you.

In regard to the priority initiatives in the business plan on page 49, section 4.1, are there any negotiations with TransAlta using their infrastructure for flood mitigation?

**Ms Phillips:** Well, that's one of the reasons why TransAlta is on the working group. When we look at our water management strategy going forward for the Bow, we are committed to working with TransAlta on a long-term agreement to optimize the Ghost River infrastructure for flood mitigation during high-risk periods. There has of course been a sort of temporary agreement, or a pilot agreement, if you will, since 2013, and we are working with them on a longer term arrangement.

**Ms Drever:** Right. I understand that you announced a working group to help out with options for the Bow River. What are the terms of reference for the soon-to-be-formed Bow River working group, and who will you have standing within this group?

5:30

**Ms Phillips:** I believe that we are still working up the terms of reference, and, you know, those will be made available when they are finalized.

**Ms Drever:** Okay. Good to know.

My constituents and I were pleased to see that this government is making a significant investment to protect the city of Calgary from another flood. Budget 2015 does provide a considerable investment to flood mitigation. Could you provide details on how the Springbank option would protect Calgary from a flood like we saw in 2013?

**Ms Phillips:** Well, the Springbank is a dry dam approach, so in that sense it is not right in the river, as the McLean Creek project would have been. That was one of the big reasons why, when we looked at all of the evidence before us, we chose to go with the Springbank project, because of the environmental impacts, of course, of putting a massive dam structure in the middle of a river up in the hills, where there are also endangered species and species at risk, these kinds of considerations.

The other piece of that is that there was a very real risk of catastrophic failure during construction given the location of the other project, which did not prevail for the Springbank option, which is one of the reasons why it was a more cost-effective choice.

The other piece that underpinned and underlined our decision-making was the overall cost.

Then, finally, there is a piece of this where the Springbank option provides a larger level of flood protection over a larger catchment area. In order to ensure that we are also providing protection for

communities upstream of the Springbank option, that was also why we made significant commitments to mitigation in Bragg Creek and Redwood Meadows.

**Ms Drever:** Given the necessity and importance of this project, can you comment on construction timelines for the Springbank off-stream reservoir? How is funding for this project divided up on a yearly basis, and what are you doing to ensure that this project is completed on time?

**Ms Phillips:** Deputy Minister Werry spoke to that a little bit. We do need the four seasons for the EIA, and then there is a construction phase that will be undertaken after that. These are large capital projects. Over a number of years those investments are made.

**Ms Drever:** Okay. Thank you.

We know the importance of managing the ecological impacts of any major project like this. How will wildlife management impact budgeting for the Springbank off-stream reservoir, and what are the ecological impacts of the Springbank project compared to the other options before the government?

**Ms Phillips:** Well, I can provide some nontechnical observations on this given that I am not a wildlife biologist. You know, there are ecological impacts to everything we do. However, we need to weigh those against the fact that we must take action for flood protection for the citizens of Calgary.

What we did find was that the environmental impacts of the McLean Creek project, as I spoke about earlier, had a number of listed species up there that we had to deal with, we had a number of existing trails and other infrastructure that we would have had to deal with, and even listed plant species – these are new things I'm learning about – were also an issue up there. That would have potentially involved a much longer environmental impact assessment process and involved the federal government whereas with the Springbank process – yes, of course, there are ecological impacts to everything we do, but we make trade-offs when we move forward with any kind of development, whether it's a new subdivision or a new energy facility or it's a new off-stream reservoir.

In this instance, given the fact that the environmental considerations would have had quite a bit of impact on the timeline to construction and could have been a project that got tied up in environmental considerations for a very long time and potentially never gotten built, that was a piece of our decision-making with respect to going with the Springbank option.

**Ms Drever:** Okay. Great.

**The Chair:** I apologize for the interruption, but the time for that portion has concluded.

I would now like to invite the government caucus to engage in their 20 minutes. My understanding is that Ms Woollard and Mr. Rosendahl will be alternating their questions with the minister. Is that correct?

**Ms Woollard:** Yes.

**Mr. Rosendahl:** That is correct.

**Ms Woollard:** Thank you, Madam Chair. I appreciate it.

**Mr. Rosendahl:** Yes. Thank you, and thank you to the minister and also her staff for being here. It's great to be partaking in this worthwhile endeavour. It's great.

Anyway, we are sharing the questions. What I'm doing is sharing the first question with the Edmonton-Mill Creek MLA.

**Ms Woollard:** Thank you. In this budget, Minister Phillips, I was pleased to see that there were plans for additional flood mitigation investments besides Springbank. Can the minister please speak as to how these projects will protect Albertans from the catastrophic flood? What types of additional investment are being made in Budget 2015?

**Ms Phillips:** As I discussed, when we took the decision with Springbank, that left the Bragg Creek-Redwood Meadows area without flood protection in a timely fashion. One of the pieces that animated our decision to go with Springbank was that we could get that community-level mitigation in place for Bragg Creek and Redwood Meadows much quicker than potentially the McLean Creek option, which may never get built. To that end, we committed \$33 million to build community-level flood protection in Bragg Creek. It builds on the \$5.3 million already invested in the area. That piece of it: provincial officials are working closely with the community, and they are doing open houses and learning from the community and so on to ensure they have the right mitigation in place to protect the community to the level of the flood of record.

We're also working very closely with the community of Redwood Meadows, and I have also spoken with Tsuut'ina to ensure that additional requirements for them are in place. We have to get the community-level mitigation pieces in place for Bragg Creek before we do Redwood Meadows. It's sort of a first pants, then shoes kind of thing because Redwood Meadows is downstream, so you've got to do Bragg Creek first.

**Ms Woollard:** Well, great. Thank you.

Madam Chair and Minister Phillips, the town of High River was one of the communities most severely affected by the floods of 2013. What actions has this government taken in this budget to protect this town from future catastrophic floods?

**Ms Phillips:** On High River, we've been in good contact with the mayor. Minister Larivee went down and made an announcement on the day that she also discussed the DRP, which was a \$25 million capital allocation for the Highwood River. That will be used to support the mitigation work for two dikes for Lineham Bridge and fulfilling the Tervita contract and for modelling. Those were the pieces that we put in place for High River. We got the report back from Deltares, of course, saying that a diversion of the Highwood was not necessary.

**Ms Woollard:** Okay. Thank you.

**Mr. Rosendahl:** Thank you very much.

The next questions are going to be dealing with the ambient air quality. It's high on our list in our riding because, first of all, it was the first pulp mill in Alberta, and of course it has had its issues over the years. Also, the many gas plants, gas batteries, and stuff throughout the riding have had their issues. Forestry and their large debris burns emitting huge amounts of carbon into the atmosphere have created many issues with regard to air quality.

I guess the question being on air quality, many Albertans, like myself, are shocked to find out that Alberta was on track to have the worst air quality in the country. I'm extremely proud, however, to report back to the constituents that this budget commits to addressing the problem, and they'll be relieved to know that their government is taking the necessary leadership on the issue and is acting to protect the health of all Albertans. This is the question: Minister, can you speak to how much in total is being allocated in

this here budget to protect and improve Alberta's air quality now and for future generations?

**5:40**

**Ms Phillips:** Well, thank you for the question. You know, of course, air quality is a top priority, and one of the reasons for that is that poor air quality shows up on the bottom line with respect to our labour productivity, and it further shows up in our emergency rooms, so it shows up in the government's bottom line with respect to our health care expenditures. That's why it's a priority for us. The overall budget for air in '15-16 is \$17.3 million. As I indicated before, some of that has been moved over to the monitoring agency, but within the department there is a little over \$7 million for air policy, \$4.6 million for the air partnerships and stewardship, which are an important key component to the governance of this system, and \$5.7 million for air quality monitoring that remains within the department.

**Mr. Rosendahl:** Okay. Thank you very much.

The next question also deals with ambient air quality. It talks about the Canadian ambient air quality standards report released in September, that indicated that air quality across Alberta was approaching the limits of national standards and that Red Deer had actually exceeded those standards. It's refreshing to see that the minister is backing up her words with the investment in this budget. The question then is: can the minister speak to what additional steps are being taken to address Alberta's air quality, and what additional support is there in this budget to facilitate that?

**Ms Phillips:** Well, on this matter of the Canadian air quality standards, those were of course developed by the Canadian Council of Ministers of the Environment, and those CAAQS, as we call them, another acronym, are data that are collected over a two-year period and take out some of those events like forest fires and those sorts of things. What it does is that it zeroes in on particulate matter, which has specific health effects. What we are doing in terms of action to improve air quality, based on those results that we got back, is that we're putting in place an action plan that builds on the work developed by the stakeholders in this area. We are also reviewing approaches that have been used in other jurisdictions like Texas, California, Europe, and Australia, so that will help us choose the best short-term actions to reduce emissions from industrial and nonindustrial sources and in taking a long-term approach.

On the exceedances that we saw in the Red Deer region and the near exceedances we saw elsewhere, there are a couple of things to note here. You know, Alberta is a very busy landscape. I've said this at this committee before. There isn't one specific reason why we saw those exceedances in Red Deer; at least, that's not what the technical experts tell me. We have a situation where we have a busy highway, we have a number of petrochemical undertakings there, we also have just the north wind from the coal-fired electricity plants, and we also have a number of other industrial activities happening in that corridor. So it's the case that it's a busy place, our province, and there are a number of different industrial and other activities that pile on one another.

On this matter of being on track for having the worst air quality in Canada, standards become more stringent over time as the best available technology becomes more economically achievable. The national standards are designed to reflect that, that over time those investments are made in the best available technology economically achievable. That's why the standards, then, become more stringent over time, which is why we indicated that if we did nothing, the standards are changing, and therefore we need to look at this matter with fresh eyes as well.

**Mr. Rosendahl:** Thank you.

**Ms Woollard:** Okay. Minister, it seems that there's been some confusion – we're staying with air quality for a while – around Alberta's air quality, particularly among those in the opposition. Specifically, there's a discrepancy between the Canadian ambient air quality standards, released by your department, and your department's ongoing monitoring of air quality through the air quality health index. Can you just provide some information or some details about the distinction between the index and the standards? What supports are available in this budget for both monitoring programs?

**Ms Phillips:** You know, these are complicated technical matters, so it's easy to get tripped up on the details. The CAAQS, as we call them, the Canadian ambient air quality standards, the piece that we released at the end of summer, early fall, are designed to protect against chronic long-term exposure to bad air quality due to man-made causes. In particular, they examine particulate matter, PM<sub>2.5</sub>, as they call it.

Now, the air quality health index, or the AQHI, is intended as a real-time tool to help inform the public about short-term exposure to air pollution, whether that's an industrial event or a forest fire or inversion or what have you. The AQHI is reported in real time so that people can adjust their activity levels, in particular, of course, for seniors or people with chronic conditions. The measurement indices and reporting tools are designed for different purposes. The CAAQS reporting standards were endorsed by Canada's ministers of environment, and several provinces preceded us in the release of those documents earlier this year.

**Ms Woollard:** Okay. Do we have supports in the budget for both monitoring programs?

**Ms Phillips:** Yeah. You know, local airshed zones, those partnerships, are really valuable stewards of air quality, so we're investing \$4.55 million into those efforts to address those complex air quality standards.

I'll allow Deputy Minister Werry to talk a little bit about the Clean Air Strategic Alliance simply because he is its chair and can give us a little bit of insight into that governance model and how that actually works.

**Mr. Werry:** If I might, CASA, as it's referred to, the Clean Air Strategic Alliance, has been around for 20 years and actually has several distinct groups represented: industry players from a wide array of industries; multiple levels of government, including representation from rural municipalities, urban municipalities, the government of Canada, the government of Alberta; and also environmental nongovernment organizations that sit at the table. They operate on a consensus-based model to try and understand the issues around air quality.

CASA has been working really hard to help address air quality standards within Alberta and has informed policy in those areas over the last number of years. In addition, they are working now on strategies around non point source emissions. I think we've all tended to focus in the past around the stacks, if you will, and kind of the monitoring around the stacks. CASA is coming forward with some more advice on how we can manage non point source emissions, so vehicle emissions, building emissions, those kinds of things. Excellent work being done at that table, and that does inform government policy in this area of air quality.

**Ms Woollard:** Thank you.

One last question about air quality: with respect to the ongoing issues of air quality, especially in the Red Deer region, what specific funding is available in this budget to regions like Red Deer to combat this issue? When can Albertans expect to see the action plan to address the results in the Canadian ambient air quality standards report?

**Ms Phillips:** That action plan is forthcoming. I would say that within the coming weeks, even days, we'll be able to release that. You know, we wanted to make sure that we're getting that right to put us on that path to getting air quality in line with national standards. As I said, the local airshed zone partnership is a valuable piece of that, so there's a \$4.5 million grant to local airshed zones.

**Ms Woollard:** All right. Thank you very much.

**Mr. Rosendahl:** Okay. The next questions are going to be dealing with the Castle wilderness. I've been dealing with this for many years with the AFL, the forestry caucus, the environment committee, the water caucus, and special places. Those issues I've been dealing with for many years. I know it was designated as a special place in I believe 1998, somewhere in that area, but the regulations failed to really protect the Castle. Like I said, it's been an ongoing argument that we've had for many years with the past government.

5:50

Anyway, the NDP government moved quickly to protect the Castle special management area from commercial logging and mining. It is crucial for watershed management and very important for the protection of the continental ecosystem plus the Rocky Mountain ecosystem. It's very important for these areas to be really looked at in those contexts. I guess the question comes down to: what are the next steps the minister will take to ensure the continued protection of the Castle area, and how much is available in Budget 2015 to facilitate the protection?

**Ms Phillips:** The latter piece of the question: I'll take that up first. We're just shifting resources to ensure we're engaging communities and stakeholders as we move forward with the parks management plan, which will contain within it a very robust public engagement piece with municipalities, First Nations, landowners, grazing lease holders, and others. That will begin very shortly, and we are going to have to have some conversations about how we manage all the competing recreational activities within that space.

You know, that's a great gift of being in government, that we have to make some of those decisions, and we'll undertake to make those collaboratively and certainly taking everyone's views into account. A lot of people view that space as a very special place, and that's why so many people asked for it to have legislated protection within the South Saskatchewan regional plan process, which is why we supported the communities within our platform commitment.

You know, on this matter of it being a long-standing conservation ask, it was also a long-standing matter for many local businesses, including the Beaver Mines General Store and other outfitters and fly-fishing companies, that really saw its potential as a high-quality tourism destination. That's something that Minister Eggen is now undertaking to ensure that we can get that plan right. As we're suffering from the effects of the low price of oil, we also have a lower dollar, so it's incentive for Canadians to stay home and for families to enjoy places like the Castle.

**Mr. Rosendahl:** Okay. Thank you.

In carrying on with this, I'm not sure whether you answered the question about how much was in the budget for protection of this park.

**Ms Phillips:** Right now we are undertaking these efforts through existing allocations within the context, you know, that all of our budgets are strained. This is a fairly business-as-usual or even a reductions budget for Environment and Parks in many areas, and we're simply stretching resources that are already existing.

**Mr. Rosendahl:** Yeah. I'm well aware of the process and the extent of work that's required to put a management plan in place. I've participated in many over the years.

Anyhow, how will this allocation affect the protection of I'm going to call it the Castle provincial park and the Castle wildland park and how it relates to the impact of the ecology of southern Alberta?

**Ms Phillips:** Well, when we make a parks management plan, of course, we engage with what we know about our baseline ecological indicators, and then we plan appropriate recreational activity around that. In this case, you know, there will be consideration for headwaters protection, riparian areas, and areas of high ecological significance in terms of any new investments that in the future we may notionally make in other parks infrastructure. The guiding piece is that ecological integrity.

**Mr. Rosendahl:** Okay. Thank you.

The proposed wildland park and the provincial park in the Castle area have the potential to be a boon to southwest Alberta, attracting visitors, creating good local jobs and tourism. What steps has the minister taken to promote the Castle to visitors from across Alberta? Also, the second question, I guess, is: can the minister speak to what supports are available in this budget for the important task of promoting this valuable ecological area?

**Ms Phillips:** Our colleague Mr. Eggen . . .

**The Chair:** I apologize for the interruption. The time for this portion has concluded.

**Ms Phillips:** I think I got the answer on the record.

**The Chair:** Now I would like to open the floor to the Official Opposition to enter into the 10-minute section of this evening. Are you going to be entering into a back and forth with the minister?

**Mr. Loewen:** Yes, we will.

**The Chair:** Thank you.

**Mr. Loewen:** Now, Minister, we were cut off earlier when we were talking about the carbon tax, so I'm going to ask the question again, and of course I would like a very simple answer. Do you consider a carbon tax punitive?

**Ms Phillips:** Well, we have a price on carbon now . . .

**Mr. Loewen:** Okay. But I did ask for a simple answer. You waxed on with the other comments already. Now let's get to the answer. We're running out of time.

**Ms Phillips:** We have a carbon tax right now.

**Mr. Loewen:** Is it punitive?

**Ms Phillips:** I don't know. I mean, we could ask the existing oil sands operators if they find it punitive. The fact of the matter is that those revenues are recycled into either offsets or into the climate change and emissions management fund.

**Mr. Loewen:** Okay. Thank you. You've already covered the answer, so let's carry on.

Have you considered other jurisdictions for comparables when considering the carbon tax?

**Ms Phillips:** Well, certainly, the panel is undertaking an examination of how carbon is priced in other jurisdictions.

**Mr. Loewen:** So you've been in contact with them, and they are doing that?

**Ms Phillips:** Well, yes. They are undertaking an evaluation of carbon pricing, and that involves an interjurisdictional comparison.

**Mr. Loewen:** Okay. Thank you very much.

We'll move on to air quality management. What I'd like to know is: what is the breakdown of PM<sub>2.5</sub>, and, particularly with the Red Deer example, what was the content?

**Ms Phillips:** I'm going to defer to Assistant Deputy Minister Ridge on the technical aspects of those questions.

**Mr. Ridge:** Just for clarification: the content of what contributed to the PM<sub>2.5</sub>?

**Mr. Loewen:** Yes.

**Mr. Ridge:** Because it's an aggregate within the region, we know that there are, as the minister outlined, a variety of contributing factors. The report that informed the determination of where the Red Deer area stands contains that information. That would be something that we would make available.

**Mr. Loewen:** Okay. You will make that available, then, what the content was?

**The Chair:** I'd just like to interrupt at this point and remind the member that the issues that we're to be addressing today are the estimates. If we could bring it back to the discussion of the budget as well as the business plan.

**Mr. Loewen:** Okay.

**Ms Phillips:** Hon. member, just to follow up on that, the technical pieces that underpin the CAAQS report are all online.

**Mr. Loewen:** Okay. So the specific content of that test is there?

**Ms Phillips:** I believe it is. There were a very large number of documents that underpinned it and that we released publicly.

**Mr. Ridge:** And there's a registry that outlines contributions from various facilities that indicates their PM contribution, NO<sub>x</sub> and SO<sub>x</sub> and other air contaminants.

**Mr. Loewen:** Okay. So you'll provide that, then?

**Ms Phillips:** I believe it is provided publicly already.

**Mr. Loewen:** Okay. Based on that information – obviously, you have that, then – how much of a difference can be made when you consider the effects that aren't manageable?



**Ms Phillips:** Well, you know, the information is already provided publicly. There are a number of different initiatives that can be undertaken under air quality management, which is why . . .

**Mr. Loewen:** How much? You have the numbers. You have the content. How much of a difference can be made when we consider the effects that aren't manageable?

**Ms Phillips:** Sure. I'll defer to Assistant Deputy Minister Ridge.

**Mr. Ridge:** It's going to be contingent upon the actual measures. It could be boiler standards. It could be changes to anti-tampering on vehicles.

**Mr. Loewen:** You said that you know the content. You said that it's online.

**Mr. Ridge:** There's an inventory of information about what's contributing to the air quality issues.

**Mr. Loewen:** So you know the content of what contributed to this reading. My question is very specific. What portion of those contributable factors are manageable?

6:00

**The Chair:** Again I would like to intervene and just remind the member that we're to be respectful in communication. Perhaps asking a question and allowing for a response would be much appreciated.

**Mr. Loewen:** Yeah. I would love a response. I really would. We're looking at line item 2.3. Air quality management is what we're talking about and the money that's being spent there and what results we're getting.

**The Chair:** Yeah. I'm not questioning the content of the question. I'm just reminding you to be respectful.

**Mr. Loewen:** Okay. No. I want an answer, so please answer, and if you can't answer, then please provide me the answer.

**Mr. Ridge:** In the context of the budget the purpose of the work and the investment in the budget would be contributing to that determination of what is feasible in terms of reduction opportunities and what is the right mix of response.

**Mr. Loewen:** Sorry. With respect, you're still not answering the question. Will you provide the information that I'm requesting?

**Mr. Ridge:** I'd say that we can make available the information that contributed to the findings of the report, of the response. What we can't provide, because it hasn't been created yet, is the mitigation response or the strategy that the minister has identified that would be developed through the work through this budget, the policy work, the assessment of that information. A key part of that would be: what are the contributing factors that are resulting in the impacts on air quality within that particular area?

**Ms Phillips:** Just to be very clear, these are ambient air quality standards, right? Within that, then, you have different kinds of management. It's not, you know, one monitoring station sitting at the end of one particular tailpipe.

**Mr. Loewen:** Thank you very much. I think we got to the point here, so carry on.

We're going back to the business plan. Under priority initiative 2.2 it says: "shift Alberta's economic diversification towards a

green economy to create new jobs through programs that assist Albertans in reducing their energy use." Specifically, what new jobs or how many new jobs will be created through programs that assist Albertans in reducing their energy use?

**Ms Phillips:** Well, we've asked the panel to undertake an examination, an interjurisdictional comparison, of energy efficiency programs both across the country and around North America, and we see really well-designed programs and some that are less well designed . . .

**Mr. Loewen:** Okay. Thank you, Minister.

**Ms Phillips:** I'm going to finish my sentence here. I guess I'm not. All right.

**Mr. Loewen:** Are you suggesting that the panel is doing this review on the jobs that will be created through reducing energy use? Is that what you're suggesting?

**Ms Phillips:** We have some examples of some very well-designed programs across the country and across North America, and the panel is examining those. Certainly, you know, our energy . . .

**Mr. Loewen:** Could you provide us with those programs?

**Ms Phillips:** We will receive the panel's advice in the coming days and weeks, and then we will be sharing that with Albertans.

**Mr. Loewen:** These comparables will be there for us?

**Ms Phillips:** I imagine some of it will be. I haven't seen their final report or any of the reports yet. Certainly, in the technical engagement sessions what we heard loud and clear was, you know, that investments in energy efficiency do have very robust job multipliers, and many of the stakeholders articulated that for us, whether it was municipalities, First Nations . . .

**Mr. Loewen:** You won't list which jobs and how many?

**Ms Phillips:** . . . or folks involved in the building codes.

**Mr. Loewen:** Okay. Thank you very much, Minister.

I'll turn some time over now to the Member for Innisfail-Sylvan Lake.

**Mr. MacIntyre:** Thank you. Minister, can we talk about flood mitigation a bit? I've looked through the budget and through the estimates. In my riding we have the Red Deer River coming through, and in the 2005, 2013 floods of the Red Deer River we had some significant damage to farmland. Give or take a thousand acres were lost. The department had to shell out gazillions of dollars to farmers that lost their land. Currently we have highway 42 and highway 54 at risk, significant risk, of being lost if that river floods again. It walked over, oh, almost a mile. In your flood mitigation budget do you have any funds or any plans with funds attached to them to mitigate Red Deer River flooding?

**Ms Phillips:** Well, there is a funding envelope, or a line, called community resilience programming. Those are the programs that municipalities apply to, and there is a rigorous set of criteria. I'm going to defer in terms of what's already happened on the Red Deer River because these are very robust grant programs in which there are a number of different initiatives, and I want to make sure we get it right.

**Mr. MacIntyre:** Sure.

**Mr. Werry:** The Red Deer region has accessed community resiliency funds. I don't have the specifics in front of me, but we can provide you with the allocations that have been given to communities along the Red Deer for community resiliency funding. We have been working with . . .

**Mr. MacIntyre:** If I may, just for a moment, please, sir.

**Mr. Werry:** Sure.

**Mr. MacIntyre:** Does that mean, then, that your department doesn't create the mitigation plan for the Red Deer River, but you leave that to the community?

**Mr. Werry:** If you'll allow me to continue, we have been working with, obviously, the WPACs, the watershed authorities. In particular we've been dealing with the town of Sundre and the county of Mountain View around the potential of what can happen upstream from Sundre in order to mitigate flood risk going down the Red Deer River and so on. There's been lots of engagement by our staff with the communities along the Red Deer River.

**Mr. MacIntyre:** Okay. Is your department aware the Dickson dam is silting up and is losing its volume? If the dam loses its volume, its ability to mitigate floods is reduced substantially.

**Mr. Werry:** I'm going to – I think Dave Ardell is behind me.

**The Chair:** I apologize for the interruption, but this portion has concluded.

I would now like to invite the third-party opposition to speak in their 10-minute time frame.

**Dr. Starke:** Thank you, Chair. Minister, I want to just take us back to the lower Athabasca regional plan. I know there were some questions about it earlier. Now, in the development of that plan it talks about the development of five wildland parks, one conservation area, nine provincial recreation areas, and five public land areas for recreation and tourism, or, as we call them, PLARTs, another acronym. I'd just be curious. You mentioned that you're in the process of First Nations consultation, and I appreciate that. I just want to know: what funds have been allocated towards the development of those various areas, and what's the status of them?

One other question, a little more philosophical, is: do you include talking about that sort of thing when you talk about us being good stewards of land, water, air?

**Ms Phillips:** Final question, yes.

You know, on the lower Athabasca regional plan, actually, there was a formal review initiated by five affected First Nations. Some of the parks pieces were at issue in their representations to the review panel. Given that, we have paused the sort of proclamation of all of those various spaces, if you will, pending some consultation with those First Nations.

**Dr. Starke:** Okay. Great.

I want to totally shift gears now for a second. Last year Alberta Environment introduced a program on the prevention of invasive species introduction into the province, a major, major potential problem. I know that it's been evaluated that if they are introduced into our waterways, we could be looking at \$65 million annually. You have some very smart dogs that'll sniff these zebra and quagga mussels out. I tested that out in Vermilion at the weigh station, and they caught me, or at least the planted one in my wheel well. I'd like to know: are you having any discussions with Saskatchewan Environment officials to try to get them to act as a bit of a buffer

for us? Quite frankly, the Alberta-Saskatchewan border, which I'm very familiar with, has got so many crossing points that no matter how hard we try, there are always going to be boats that get past us.

**Ms Phillips:** This was the first item of business that I raised with my Saskatchewan counterpart . . .

**Dr. Starke:** Minister Cox.

**Ms Phillips:** Yeah, with Minister Cox, at the Winnipeg meeting of the council of environment ministers.

**Dr. Starke:** How did that go?

**Ms Phillips:** I don't know. You know, I was really prevailing upon him to appreciate the seriousness of zebra and quagga mussel infestations in Saskatchewan's great lakes infrastructure and their parks. They have some irrigation in southern Saskatchewan as well but nowhere near what we have in southern Alberta. The irrigation guys tell me \$75 million. The fact of the matter is that it would be a disaster for the economy in southern Alberta if those little guys get in. The irrigation districts are keen to keep partnering with the department on this, and we can see if maybe we can get some more dogs on the job because they do a better job than human eyes could ever do. They certainly add.

**Dr. Starke:** They're incredible. Yeah.

**Ms Phillips:** Yeah. We have three new AEP employees. I can't remember all their names.

**Dr. Starke:** If I could make one quick comment on the program, it's critically important. It needs to be expanded because right now even as good as it is, it's not enough.

6:10

**Ms Phillips:** It's nowhere near enough. I actually raised it with the federal minister this morning as well.

**Dr. Starke:** Good.

One final question, and that has to do, again, with Writing-on-Stone provincial park. Work was started in terms of trying to designate it as a UNESCO world heritage site, as you're probably aware. A lot of the groundwork has already been done, but there are some objections that you're probably also aware of. What's the status on that? Where do things stand, and is that a priority for you, moving forward?

**Ms Phillips:** It is a priority, and – I can't remember what day it was – maybe two days ago I had a meeting with the folks from Warner because they were in town on the AAMDC. I had talked about it on the phone with them, but we had never had a chance to have a face-to-face meeting on this. There remain some concerns from some landowners, so we're going to take another round at addressing those concerns so that we can move forward on this. This is something that, you know, the indigenous peoples support. The community at Milk River is supportive as well because there is a great tourism opportunity here. We're going to do another round of trying to address those concerns.

**Dr. Starke:** I encourage you in the strongest possible terms to do that. I just think that we owe that not just to Albertans but to the world in general. That's an incredible site.

I'm going to turn the rest of my time over to Mr. Fraser.

**Mr. Fraser:** Thank you.

Minister, my understanding is that the climate change and emissions management fund and the corporation were created in 2009, and under the Climate Change and Emissions Management Corporation there have been a number of undertakings since that time. There are quite a few of them that I think are in line with some of the policies that you have moving forward. But I have some specific questions. As you mentioned before, there is a carbon tax already on heavy emitters. When we're speaking about a broad-based carbon tax, would you say that there is a possibility that it would be revenue neutral?

**Ms Phillips:** We have not made any announcements on this issue of how we are going to price carbon. This is something that we have asked the panel to come back to us with some advice on.

**Mr. Fraser:** Just out of curiosity, is the climate change panel at least consulting with the – correct me if I'm wrong – panel around the economy that the Premier appointed? Are they in conversations at all in terms of, you know, the extra burden that might put on Albertans right now with some economic uncertainty as we move forward? Is there some consultation around that?

**Ms Phillips:** Certainly, individual members of the Premier's advisory council have participated in the climate change review process. Certainly, Suncor has been a very active participant. They were at the technical engagement sessions, and their submission is on the panel's website. It's a very good submission. I recommend it to you.

**Mr. Fraser:** Is there a possibility of moving quickly with a broad-based carbon tax? Is there a possibility that that might be, you know, put on hold until the economy comes back a little bit? Is there a potential for that?

**Ms Phillips:** You know, certainly, when the panel is examining the structure of the current carbon price and how that may be made more efficient to incent the kinds of behaviours in the market that we want to see with regard to over time reducing our greenhouse gas emissions and, certainly, bending that curve and doing our fair share given that, of course, we are an energy-producing province and these policies have very direct economic effects for Alberta. Those are matters that they are undertaking, and they will be reporting back to us shortly.

**Mr. Fraser:** Just again to the corporation, I'm going to speak about my own constituency here a little bit. Obviously, southeast Calgary is in desperate need of light rail transit. With this new carbon tax, if it's not revenue neutral, would you be able to commit that some of that money or all that money will go into initiatives to reduce carbon emissions and the footprint by reducing cars on the road? It's been said that if the light rail transit, or the LRT, is built for southeast Calgary, it would take 600 cars off the road every hour during rush hour. That's a significant number. Would you be willing to look at that and commit that money to those types of initiatives? It does seem in line with your party policy, you know, and fits into something along the lines of the climate change and emissions corporation.

**Ms Phillips:** Well, of course, the panel is examining this matter of how we design our carbon price now. To this matter of how the climate change and emissions management fund and corporation is currently structured, that money flows in there from the specified gas emitters regulation and goes toward funding technology and innovation projects that are based on a sort of competitive proposals process. There are a number of really interesting things that have

come out of the Climate Change and Emissions Management Corporation and project; at the same time through the technical engagement sessions. You see this in the online submissions from various industrial sectors, not just, of course, the oil sands or conventional oil and gas but also our friends over in fertilizers, energy, intensive and trade-exposed industries, cement, and so on. They have thoughts on how that corporation could better align its work as well to some industrial efficiency gains that they could realize.

**Mr. Fraser:** Right. Thank you, Minister.

Just as I'm probably getting close to my last question here, when we talk about target measures as we move forward, I mean, you've talked a lot about trying to get the social licence. I mean, the former government talked about it, too, in terms of getting a better world standing to sell our bitumen, essentially. Will you have a target as we move forward? You mentioned the United States.

**The Chair:** I apologize for the interruption, Member. Your time is concluded.

Before we move on to the next speaker, I just wanted to first note for the record that Dr. Richard Starke is attending as an official substitute for Mr. Wayne Drysdale.

I would now like to move on to the next portion and the next speaker. I understand that Dr. Swann, the representative and leader of the Liberal Party, will be speaking for this next 10 minutes.

**Dr. Swann:** Ten minutes. Thanks very much, Madam Chair, and thank you to the department and to the minister for this last phase. I missed most of the session, so some of this may be repetition. I apologize if it is. Just bump us on if you've already answered this question.

Budget line 4.3 includes an estimate of a hundred thousand dollars in financial transactions which pertain to environmental site liability retirement under the water management program. Environmental site liability retirement under the water management program: any clarification there?

**Ms Phillips:** I will defer to Deputy Minister Werry on this.

**Mr. Werry:** Can you give me the line item?

**Ms Phillips:** It's 4.1.

**Dr. Swann:** Sorry; I don't have it. If not, you can respond at another time. Overall, the budget for the water program area, line 4.3, is down \$4.9 million; \$3.4 million of that is a decrease in water management. You've probably talked about where those cuts are at some point today. If you have, I will read *Hansard*.

**Ms Phillips:** Hon. member, I'll speak to what the difference is between the budget and what the variance was. Are you interested in the actual or between the budget of '14-15 under this water management?

**Dr. Swann:** Just wondering where the cuts were.

**Ms Phillips:** Sure. Okay. Between the actual and the estimate, then?

**Dr. Swann:** Yes.

**Ms Phillips:** Okay. That reduction would be due to dam operations and maintenance contracts. That's under the budget to actuals variance for the water management piece that you were looking at.

**Dr. Swann:** Contracts.

**Ms Phillips:** Yeah. Dam operations and maintenance contracts.

**Dr. Swann:** Oh. Dam operations. Thank you.

**Ms Phillips:** The contracts for dam operations.

**Dr. Swann:** The budget for the land-use secretariat, line item 9, is up \$3 million. I'm glad to see the government looking carefully at this land-use framework issue. It's desperately needed in Alberta. Developments continue unabated, and without a land-use framework I think we're in danger of overstretching, as we did on the South Saskatchewan, just due to a lack of planning. It's now critical that we have a land-use framework. I hope that \$3 million increase reflects a commitment to trying to get to final decisions around land use, especially in southern Alberta.

6:20

**Ms Phillips:** Well, yes, but there also were some other pieces to that, right? There was some air emissions inventory, efficient use of land policy directives, and other undertakings that happened last year, and there was also the enterprise data management office for Crown land mineral rights assurance contracts. So there was a piece of data management that happened in order to get that integrated resource management system working.

**Dr. Swann:** Can you comment on where we're at with the land-use framework and decisions on the South Saskatchewan and LARP, those two that have been moved to the next level?

**Ms Phillips:** The South Saskatchewan regional plan is mostly a completed document, with the exception of the amendments, of course, that we will make to the establishment of the provincial park and the wildland park. On the lower Athabasca regional plan I don't know if you were here, so I'll just go back over it.

**Dr. Swann:** I'll read it in *Hansard*.

**Ms Phillips:** Okay. All right.

**Dr. Swann:** I'm particularly concerned about the changes in Alberta Environment with respect to its role in water and air and soil quality. As you've been divided up between Alberta Environment, AEMERA, and now the Alberta Energy Regulator, all taking a share of environment, meaning that there's all kinds of ambiguity about who's responsible for what and who's accountable for what, I'm particularly concerned about the lack of clarity, lack of maybe ability to do cumulative impact assessments. I heard from previous ministers: "Yes, we can do cumulative impact assessments. We don't do one-off approvals. We are able to look at the whole region – the watershed, for example – and decide how much cumulative impact is going to be too much." I've yet to see a single cumulative impact assessment on any of the developments. Are we able to do a cumulative impact assessment, and can you help us define the roles of Alberta Environment vis-à-vis AEMERA, vis-à-vis AER?

**Ms Phillips:** I'll take the second question first, and on the cumulative effects I think I'll defer to Deputy Minister Werry a little bit on that. But on this matter of role clarity, that's part of the review of agencies, boards, and commissions and, you know, ensuring that we have role clarity between, certainly, the Energy Regulator and Alberta Environment.

On the issue of AEMERA, that has been a longer term sort of project, to stand up that organization, and we are reviewing it to ensure that it is achieving its outcomes, that it is the most efficient way to undertake monitoring in this province, and that it is

providing us with that world-class monitoring that we need in the lower Athabasca.

Just on that, this morning, when I met with the federal minister, I did flag for her that we wanted to continue with the joint oil sands monitoring efforts with Environment Canada. So those agreements will move forward. The previous federal minister had, you know, said: are we moving this forward? And we said: yes, pending the outcome of the election and so on. So, you know, those efforts are ongoing as well. Environment Canada has a number of boots on the ground with respect to oil sands monitoring.

**Dr. Swann:** How is the responsibility and the funding shared?

**Ms Phillips:** I will allow Deputy Minister Werry to talk in more detail about that.

**Mr. Werry:** Just to be clear, the joint oil sands monitoring initiative is funded by industry through a commitment of \$50 million on an annual basis. Each term of the agreement has been three years. The first three-year term expired; the second three years will be coming forward.

We have a joint monitoring group that involves AEMERA, the department, and Environment Canada, and we're monitoring on the basis of a common understanding of what the leading-edge science is. We're continuing to work with agencies on the ground in the region. Some of that money does go to support the best quality scientific results we can get from Environment Canada.

**Dr. Swann:** What about the cumulative impact assessment? I have yet to see evidence that we have a technical capacity or the resources to do a full cumulative impact assessment.

**Mr. Werry:** Just to underscore a couple of points on cumulative effects management, cumulative effects management is a very complex undertaking, as I know you understand. There are no jurisdictions in the world that you can point to and say that they are absolutely the best at cumulative effects management. There just isn't an identified international standard with respect to that, just to be clear about that.

We have put in place underneath the umbrella of the regional plan a series of management frameworks, so we do have an air quality management framework that has limits and triggers with respect to air quality, water quality. Now we're doing one in the lower Athabasca on land disturbance and biodiversity, so those are actually the things that will allow us to manage cumulative effects. We do have a mechanism to exchange information amongst all the partners, so the environment department, Energy Regulator, aboriginal consultation folks, and the folks involved in AEMERA. We do have a common management table, that also now includes Agriculture and Forestry, where we're sharing that information and moving towards a systematic approach to sharing that information in real time.

**Dr. Swann:** So you're at least going to be looking at some capacity to do that in the lower Athabasca?

**Mr. Werry:** Absolutely.

**Dr. Swann:** If not the rest of the province.

**Mr. Werry:** Well, we'll be moving region by region as the planning framework is created.

**Dr. Swann:** Thank you.

I'm also concerned about the loss of technical expertise in Alberta Environment. Over the years I've seen the loss of

toxicologists and the technical ability to measure criteria – heavy metals, pesticides – the technical ability to reach even air quality ambient guidelines, as was illustrated in the Baytex investigation. I think the cuts over the years to Alberta Environment have left it, to some extent, limited in its technical expertise. Does that mean that you contract out the testing of some of these issues, including, for example, the ability to measure or to identify fracking fluids in water and some petrochemicals? My understanding is that in-house you don't have the capacity to measure some of these contaminants.

**The Chair:** I apologize for the interruption, but, Dr. Swann, your portion has expired.

I would now like to invite members from government caucus to speak for the remainder of the meeting, which is about four minutes.

**Ms Woollard:** All right. Thank you very much, Madam Chair. Minister, climate change is a priority for this government and, of course, for your department in particular. What does Budget 2015 do to address the government's renewed focus on climate change initiatives?

**Ms Phillips:** Well, thank you for the question. You know, the first thing we did was to start the panel, and the panel's work is of course supported by the department in some ways. We also have \$70.7 million used for the Climate Change and Emissions Management Corporation, which we talked about earlier, and that's in their operating expenses and grants. Under the climate change line you will note that there is a \$5.1 million reduction, but that is due to the conclusion of the federal government's ecotrust program. That program is now finished, and that's why we see that reduction there.

**Ms Woollard:** All right. Thank you.

There have been criticisms of the Climate Change and Emissions Management Corporation in the past from industry and from nongovernmental organizations. Can the minister speak to how the current fund works to provide solutions to the climate change challenge? How is CCEMC reflected in Budget 2015?

**Ms Phillips:** Of course, companies required to meet the provincial reduction target can choose to pay \$15 a tonne into the fund, if they are large final emitters, or purchase offsets. To date \$577.9 million has been collected, and then the department grants a portion of that to the CCEMC. Yes, during the panel's deliberations, you know, we heard a variety of perspectives on what should happen to the CCEMC, and that'll form part of the panel's advice to us. It would seem to be that you could have three people in a room and about five different opinions about what should happen to the future of the CCEMC, so they'll be undertaking that work as well. You know, the idea was and still is that there are some really innovative projects that will result in GHG reductions.

**Ms Woollard:** Thank you.

**The Chair:** I apologize for the interruption, but this has concluded our time.

Members of the Standing Committee on Resource Stewardship, this meeting concludes our consideration of the ministry 2015-2016 main estimates. You'll be contacted in the near future in order to schedule a regular meeting related to the matter recently referred by the Assembly.

Thank you to everyone.

This meeting is now adjourned.

[The committee adjourned at 6:30 p.m.]





