



Legislative Assembly of Alberta

The 29th Legislature  
Second Session

Standing Committee  
on  
Resource Stewardship

Ministry of Environment and Parks  
Consideration of Main Estimates

Tuesday, May 3, 2016  
9 a.m.

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

**Standing Committee on Resource Stewardship**

Loyola, Rod, Edmonton-Ellerslie (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)  
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Kazim, Anam, Calgary-Glenmore (ND)  
Kleinsteuber, Jamie, Calgary-Northern Hills (ND)  
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Woollard, Denise, Edmonton-Mill Creek (ND)

\* substitution for Wayne Drysdale

\*\* substitution for Eric Rosendahl

**Also in Attendance**

Strankman, Rick, Drumheller-Stettler (W)  
Swann, Dr. David, Calgary-Mountain View (AL)

**Support Staff**

Robert H. Reynolds, QC	Clerk
Shannon Dean	Senior Parliamentary Counsel/ Director of House Services
Philip Massolin	Manager of Research Services
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Sarah Amato	Research Officer
Nancy Robert	Research Officer
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Jody Rempel	Committee Clerk
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Tracey Sales	Communications Consultant
Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

## **Standing Committee on Resource Stewardship**

### **Participants**

Ministry of Environment and Parks

Hon. Shannon Phillips, Minister

Rick Blackwood, Assistant Deputy Minister, Strategy

Andre Corbould, Deputy Minister

Steve Donelon, Assistant Deputy Minister, Parks

Mike Fernandez, Executive Director, Implementation and Funding

Ronda Goulden, Assistant Deputy Minister, Policy and Planning

Kevin Peterson, Senior Financial Officer

Bill Werry, Deputy Minister, Alberta Climate Change Office

Surface Rights Board and Land Compensation Board

Gerald Hawranik, Chair



9 a.m.

Tuesday, May 3, 2016

[Loyola in the chair]

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

**The Chair:** Hello, everyone. I'd like to call the meeting to order. The committee has under consideration the estimates of the Ministry of Environment and Parks for the fiscal year ending March 31, 2017.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, when we get to you, please introduce the staff that are joining you at the table today. First, I'd like to note for the record that under Standing Order 56(2.1) to (2.4) Dr. Richard Starke is officially substituting for Mr. Wayne Drysdale and that Dr. Turner is officially substituting for Mr. Eric Rosendahl. I'm Rod Loyola, MLA for Edmonton-Ellerslie and chair of this committee.

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

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

**Mrs. Aheer:** Leela Sharon Aheer, MLA for Chestermere-Rocky View.

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

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

**Ms Phillips:** Good morning. Shannon Phillips, Minister of Environment and Parks and minister responsible for the climate change office, MLA for Lethbridge-West. I am joined at the table here by Mr. Mike Fernandez, executive director, climate change implementation, at my far left; Mr. Bill Werry, deputy minister of the Alberta climate change office; on my right Mr. Andre Corbould, Deputy Minister, Environment and Parks; and on my further right Mr. Kevin Peterson, senior financial officer, executive director, Environment and Parks.

**Mr. Strankman:** Good morning. It's Rick Strankman, MLA, Drumheller-Stettler.

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

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

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

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

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

**Dr. Turner:** Bob Turner, MLA, Edmonton-Whitemud.

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

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

**The Chair:** Hon. members, the standing orders set out the process for consideration of the main estimates. Before we proceed with consideration of the main estimates for the Ministry of Environment

and Parks, I would like to review briefly the standing orders governing the speaking rotation. As provided 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 are reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the final rotation, with speaking times of five minutes, once again a minister and a member may combine their speaking time for a maximum total of 10 minutes. Discussion should flow through the chair at all times regardless of whether or not speaking time is combined. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time.

If members have any questions regarding speaking times or the rotation, please feel free to send a note or speak directly with either myself, the chair, 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; however, the three-hour clock will continue to run. Does anyone oppose having a break?

**Dr. Starke:** Chair, I oppose.

**The Chair:** Okay. Sounds good.

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

Ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee. Ministry staff seated in the gallery, if called upon, have access to a microphone in the gallery area. 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 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 adjourn at 12 noon.

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

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

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

The vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on May 17, 2016.

If there are any 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 May 17, 2016. 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 will now invite the Minister of Environment and Parks to begin with her opening remarks.

**Ms Phillips:** Thank you, Mr. Chair. I'd like to introduce those from my department who have joined us here today that are not at the table: Mrs. Sara Wong, chief of staff and executive director of integration; Mrs. Ronda Goulden, assistant deputy minister, policy and planning; Mr. Rick Blackwood, assistant deputy minister of strategy; Mr. Tom Davis, assistant deputy minister, corporate; Mr. Graham Statt, assistant deputy minister, operations; Mr. Steve Donelon, assistant deputy minister, parks; Mr. Darin Stepaniuk, director, Justice and Solicitor General; Mr. Mike Boyle, executive director, human resources; Mrs. Janice Coffin, executive director, communications; Ms Marilea Pattison Perry, executive director, corporate performance branch; Mr. John Conrad, director, Environment and Parks' support and emergency response team; Ms Cathy Maniego, executive director, watershed resilience and mitigation; Mr. Cam Lane, executive director, innovation and intergovernmental services; Ms Lora Pillipow, assistant deputy minister, policy, legislation, and evaluation; Mr. Robert Savage, executive director, regulatory compliance; Vern Hartwell, chair of the Natural Resources Conservation Board; Peter Woloshyn, CEO of the NRCB; Andrew Bachelder, Public Lands Appeal Board; Gilbert Van Nes, general counsel for the Environmental Appeals Board; and Gerald Hawranik, chair of the Surface Rights Board and Land Compensation Board.

I'd like to start my remarks by indicating that Budget 2016 delivers on the priorities of Albertans and positions Alberta as an environmental leader. It ensures we have the resources in place to protect our air, land, and water for future generations. It does not cut the services Albertans expect to ensure our water is safe to drink, our air is safe to breathe, our land is healthy and productive, and our fish and wildlife thrive. This government rejects the idea that Alberta's air, land, and water should suffer due to fluctuations in international commodity markets. Instead, Mr. Chair, we have a budget that values action as well as conservation, that protects the ecosystems that we depend on but also focuses on diversifying our economy and creating jobs.

I'm here to discuss the budget for Environment and Parks, which includes the funding for the climate change office. The overall operational budget for the ministry, which includes flood and climate leadership plan spending, is \$795 million. Our capital investment will be \$149 million.

Some of the highlights of our 2016 budget include a significant investment in our parks system. This investment will ensure our parks system is well maintained for the enjoyment of future generations. We are doubling our capital maintenance and renewable next year as well as supporting the creation of new parks in the lower Athabasca and the South Saskatchewan regions. We are allocating \$50 million over the next five years to fund Alberta parks capital commitments under the South Saskatchewan regional plan. Ten million dollars will support 19 capital projects in various states of design and planning implementation.

Examples of projects include an expansion and upgrades to the campground and day-use sites at Sibbald Lake provincial recreation area or redevelopment of the campground at Bow Valley provincial park. Funding will also get us started on planning work for the future Castle provincial park. Another \$25 million is committed over the next five years to fund commitments under the lower Athabasca regional plan and the supporting regional parks plan. This fiscal year will see \$5 million to support nine capital projects, including \$2.5 million for phase 1 improvements and expansion of Gregoire Lake provincial park.

#### 9:10

These capital commitments will advance conservation and recreation opportunities, support jobs and tourism, and contribute to local economies. All Alberta families deserve access to high-quality outdoor experiences.

I'm pleased to indicate that our parks capital budget demonstrates the largest investment in Alberta parks in the past 10 years. My ministry works to protect our precious biodiversity through our parks system but also through land conservation programs.

I was pleased to announce on Earth Day the significant dollars being made available, \$15 million per year for the next five years, for the land stewardship fund. This fund supports two important conservation programs. The first is the land purchase program, which is used to buy land of high conservation value or importance to the province. The second is the land trust grant program. This program promotes voluntary conservation of high-quality private land by providing grants to land trusts. Those grants are then used to undertake stewardship activities or establish conservation easements on private land.

I'm pleased that we can help fund those projects that bring private landowners and land trusts together to ensure that ecologically sensitive areas are protected now and into the future. It's a very Albertan approach, and I'm pleased to support those organizations dedicated to private land conservation, both large and small. Not only is it the right thing to do; it is also a reflection of our Albertan values.

It's clear that this government is committed to making Alberta an environmental leader. Our climate leadership plan is clear evidence of this. Our actions will protect the environment, protect Albertans' health, and protect our economy by ensuring that our province is known as an environmental leader among the world's energy producers.

Budget 2016 provides the financial capacity for Alberta to implement our climate leadership plan. Over the next three years government as a whole will be investing \$2.4 billion to address a changing climate and to ensure that our economy is competitive, resilient, and diversified in a future that is carbon constrained, because climate change is real. This fiscal year alone has \$330 million allocated for our climate leadership related actions. This includes \$175 million for investments in bioenergy, innovation and technology, renewable energy, and plan implementation; \$95 million from Treasury Board and Finance in rebates to lower and middle-income Albertans; \$10 million to support indigenous communities as well as communities affected by the phasing out of emissions from coal-fired electricity power plants; \$45 million for the province's new energy efficiency and community energy systems agency; and \$5 million for green energy infrastructure.

Those investments show that Alberta is doing its part to address one of the greatest problems facing the world today. We are entering, at long last, in Alberta an age of climate leadership and action. There are, of course, many other areas of our ministry's budget to cover, but I know our time here is limited. I'm proud of this budget. I look forward to answering your questions.

Thank you.

**The Chair:** Thank you, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. My understanding is that you've requested 20-minute intervals. Is that correct?

**Mr. Loewen:** Yes. We just need a beep each 20 minutes, but otherwise we'll run straight through.

**The Chair:** Okay. Thank you very much. Please continue.

**Mr. Loewen:** And we'll be going back and forth, too.

**The Chair:** Okay. Thank you.

**Mr. Loewen:** I want to say thanks to the minister for being here today and, of course, thanks to the staff for being here, too. It's great to see everybody here. Of course, we're here to ask questions and get answers, too. As we go along, in the interests of time, you know, I may cut you off if I feel that we're rambling on or anything like that or not getting an answer. It's nothing personal. It's just what we need to do to get through the questions that we need to today.

I'll start right off with line 1.3, the communications budget. I'd like to know: what is the present number of communications staff within your department? Is that a change from last year, and by how many?

**Ms Phillips:** You're looking at line 1.3?

**Mr. Loewen:** Yes, 1.3.

**Ms Phillips:** All right. There are 33 total FTEs in that division, if you will, communications. Communications, of course, provides the clear information to Albertans on the achievements and the initiatives of the ministry.

**Mr. Loewen:** Is that a plus or minus from the previous year?

**Ms Phillips:** The 2016-17 estimate is slightly lower due to government-wide reductions.

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

Going on to line 2.3, it deals with air-quality management. The topic of air quality in the Red Deer region has been cited by the minister as having the poorest air quality in Alberta. Is that still your position?

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

**Mr. Loewen:** Thank you.

Now, last year you stated that AEMERA also undertakes matters regarding the Alberta air quality health indexes. Is that correct?

**Ms Phillips:** Yes.

**Mr. Loewen:** With AEMERA being dissolved, will the AQHI be entirely funded from this line in the future?

**Ms Phillips:** I think I'll defer to officials on this matter, hon. member, given that we are in the middle of transferring the work of AEMERA over to the department.

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

**Mr. Corbould:** Yeah. So in terms of the monitoring budget, it doesn't change with the movement of AEMERA back into the government. Whether they had stayed or whether they had come back, the same amount of money has been allocated in this budget

for monitoring, and the same roles and responsibilities of AEMERA do not change at this point.

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

Minister, you had previously stated that the Red Deer action plan would be released in September 2015. Why had there been such a long delay in submitting this report?

**Ms Phillips:** Yeah. It's a good question. The reason for that is that it became clear as we were putting together the air quality response management plan that there would be budgetary implications; moreover, because we were transferring the work of AEMERA, we wanted to make sure that those new efforts that we were undertaking in the Red Deer region appropriately aligned with the work that we were undertaking in Red Deer. So it was just, I believe, last week that we released that plan with some additional funds for air monitoring in Red Deer.

**Mr. Loewen:** Is that the April 21 press release?

**Ms Phillips:** I believe it is, yes, in which we have \$250,000 to the Parkland airshed management zone to strengthen efforts to identify the different sources of the pollution, and an extra \$560,000 will refine monitoring in the area.

**Mr. Loewen:** Okay. Is that report on your website now?

**Ms Phillips:** I'm sorry; which report are you referring to?

**Mr. Loewen:** The April 21 press release report, the one we're talking about.

**Ms Phillips:** Yes, I believe it is. It was a press release.

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

Now, are you refining monitoring in the Red Deer area because the monitoring station located on Riverside Drive does not have the capabilities of analyzing PM<sub>2.5</sub> and breaking it down into its composition?

**Ms Phillips:** I'll defer to the subject matter experts on the matter of air quality monitoring. However, I will say that what the action plan in Red Deer really revealed for us was that we needed more precise identification of pollution sources given that there are so many different sources within the Red Deer airshed. There are a number of industrial undertakings, the highway, the petrochemical facilities, and, of course, any way the wind blows with respect to coal-fired generation of electricity. So there are a number of different points, and there was a need for more monitoring, and that's why we invested in it.

**Mr. Loewen:** Okay.

**Mr. Corbould:** I would just add that as part of the report things like that that have been identified will be developed and fixed based on the funding that's been allocated in our response to the report.

**Mr. Loewen:** Okay. Thanks. Last year you stated that you were exploring some interesting things in regard to emissions in the transportation sector. Do you have any update on this?

**Ms Phillips:** One of the things that we talked about in the release on the 21st was exploring an educational partnership with the Alberta Motor Association about driver behaviour, and we look forward to that voluntary partnership with them.

**Mr. Loewen:** Okay. Thank you. Can you give me a breakdown of what PM<sub>2.5</sub> consists of?

**Ms Phillips:** I will defer to subject matter experts on that.

**Mr. Corbould:** Can you give me a reference?

**Ms Phillips:** Hon. member, could you provide us with a reference in the budget estimates of the line to which you are referring?

**Mr. Loewen:** Well, we're talking about line 2.3, that deals with air quality management.

**Ms Phillips:** Is this a question about the expenditures for air quality monitoring?

9:20

**Mr. Loewen:** I'm asking if you have a breakdown of PM<sub>2.5</sub>.

**The Chair:** I'm going to interject here.

**Ms Phillips:** The issue that is being inquired after is a scientific matter.

**The Chair:** Excuse me. I'm just going to interject here as the chair. Just a friendly reminder that, yeah, we want to reference where we're focusing in the estimates. If you could make reference to a line item before you carry on with your question.

**Mr. Loewen:** Okay. That's what I did. I referred to line 2.3, dealing with air quality management. I believe that this has to do with air quality management.

**Mr. Corbould:** Yeah. So in terms of air quality management, what's in that?

**Ms Phillips:** I believe that the question is a matter of . . .

**Mr. Loewen:** If you're not going to answer, we'll just move on, thanks.

**Ms Phillips:** I believe that we can answer. If you would like a scientific answer to a question related to budget estimates, we may certainly provide that for you. We have Assistant Deputy Minister Goulden here . . .

**Mr. Loewen:** Would you undertake to do it?

**Ms Phillips:** I think that we can provide that answer right now, actually.

**Mrs. Goulden:** I don't have that answer right now, but we could get it very shortly.

**Ms Phillips:** Sure. We'll google it for you and give it to you.

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

Moving on to land policy, 3.1, still on page 106, land policy deals with items and issues such as remediation and reclamation of energy projects such as mines, gravel pits, oil sands, and pipelines. Is that correct?

**Ms Phillips:** Yes. Deputy Minister Corbould can add some clarity to that as well.

**Mr. Corbould:** That one is true. I guess I would add that it also deals with design and development of policies related to brownfield contamination remediation, pesticides, conservation, reclamation of coal mines, oil sands mines, in situ oil sands, upstream oil, gas,

sand, and gravel, wind power, transmission lines, pipelines, and other linear services. Also, it provides support for the implementation of the tailings management framework for oil sands mines; designs and develops policies and programs related to public lands management; delivers land policy interpretation and training; policy implementation; plans and supports regional planning efforts with communities; and, finally, develops and updates regulatory tools for guidelines, regulation standards to ensure that waste management is appropriately dealt with. So that's all under land policy in that line.

**Mr. Loewen:** Okay. Does that deal with the recycling programs as well?

**Mr. Corbould:** Yes. Develops provincial recycling programs for designated materials. Yes, it does.

**Mr. Loewen:** Okay. Now, on the Alberta Used Oil Management Association's website they have a statement that many used oil collection sites are limiting access for drop-off or ceasing operations completely. Is your department doing anything to ensure that oil that was collected by these companies is not ending up somewhere inappropriate?

**Mr. Corbould:** Yeah. I think that is accurate in general terms, and, yes, we continue to deal with those on a daily basis. When we hear of those issues and if there are issues with capacity, then we work with all partners to try to resolve those issues and divert deliveries.

**Mr. Loewen:** Okay. Thank you. Is there any reason why glycol isn't included in the used oil collections?

**Mr. Corbould:** Not that I know of, but I don't know for sure why it's been limited.

**Ms Phillips:** We will undertake, hon. member, to get back to you on that matter.

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

Were there options for strengthening the legislation policies concerning brownfield reclamations?

**Ms Phillips:** Yes. Absolutely. This is, again, within the land policy. I will just flip to the appropriate place here. I have asked the department around this brownfield contaminated sites issue to review legislation and policies regarding the cleanup of contaminated sites and bring back recommendations and options for strengthening our system. Certainly, our approach is a polluter-pay approach, and it is our intention as a government to take stronger action on protecting the environment and human health and ensuring contaminated sites are remediated in a more timely fashion. We've been working closely with stakeholders, municipalities, and others to address some of the challenges to redeveloping brownfield sites. We are continuing our work on detailing requirements and reviewing processes for risk management plans under the contaminated sites policy framework.

**Mr. Loewen:** Okay. Is there an inventory of these brownfields?

**Ms Phillips:** I believe that I will defer to officials on that matter.

**Mr. Corbould:** We do have an inventory of the brownfield sites. It changes on a daily basis as new ones get reported, so it's a shot in time, but we do have an inventory. We actually are also in the process of improving sort of the IT systems for that so they can be more user-friendly and updated more regularly.



**Mr. Loewen:** Okay. Can you undertake to provide that for us, too?

**Mr. Corbould:** The inventory?

**Mr. Loewen:** Yeah.

**Mr. Corbould:** Absolutely. I think it might actually be on the website, but I'll double-check and get that for you.

**Mr. Loewen:** That's great. You mentioned, Minister, about, you know, coming up with some policies or doing some studying on that. Can you undertake to provide that for us, too, when you have that report done?

**Ms Phillips:** I believe that this matter is somewhat – well, it's under discussion right now with Municipal Affairs, so we will see within the Municipal Government Act. You may ask Municipal Affairs about this in their budget estimates as well. As we consult with stakeholders and so on, of course, part of this is speaking with the public, so you will be apprised of that as it moves forward.

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

Line 3.2 deals with public land management and 3.3 with rangeland management. Can you give a quick overview of the differences between these two lines? That's rangeland management versus public land management.

**Ms Phillips:** Yes. Absolutely. That was 3.2, hon. member, and 3.3?

**Mr. Loewen:** Yes.

**Ms Phillips:** Public land management involves land stewardship of that which is held or managed by the Crown, obviously. It implements regional land-use plans, develops and implements the subregional land-use plans. Certainly, we have to manage public land in support of diverse interests, including agricultural use, peat and aggregate extraction, gravel extraction, and commercial tourism and recreational use. It certainly also involves remediation and reclamation certificates within line 3.2 and land compliance and enforcement as well, so the work of, for example, conservation officers and others.

**Mr. Loewen:** Just to be quick, I was asking for just the differences between the two.

**Ms Phillips:** Sure. Well, public land management involves the things that I just outlined, and then the rangeland management is responsible for the agricultural and recreational use of public land. That includes management of provincial grazing reserves, for example, and there are some other pieces with that. Of course, when one is a grazing lease holder, there are ongoing audits, and so on, at intervals of some years. That is undertaken through rangeland management.

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

One of the problems some farms and ranches deal with is generational transfer or succession when it comes to grazing leases. Is the ability to make it easier to pass these on via inheritance or family sale something that your department is looking into to ensure that continued generations of farming and ranching will continue?

**Ms Phillips:** Well, certainly, we find that those who hold grazing leases on public land are very careful stewards of the land, and there are many, many examples of folks who invest their time and energy not just in moving their animal units around in economic activity but also being careful stewards of our ecological inheritance for future generations. Recognizing that, I think, is important for this

government. I'm not sure that ethic has always been recognized by previous governments. It's certainly my intention to do so. Of course, the matter of grazing leases has been under review by the office of the Auditor General, and we, of course, last summer, last July, accepted those recommendations. You know, our examinations of those matters, I believe, have to be taken as a whole.

**Mr. Loewen:** Okay. Excuse me. I just wanted to get on to succession planning. Is your department working on anything as far as succession planning for farmers passing down their grazing leases generation to generation?

**Ms Phillips:** Well, certainly, we have examined these matters as they relate to the management of the grazing lease as a whole, and it is one of the constituent elements of it. All of these parts work together, and as we move forward on responding to the recommendations of the Auditor General, which we accepted last July, those considerations will be part of that response.

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

Line 4.3, water management. This line deals with dams, weirs, canals, and pumping stations, that sort of thing. Is that correct?

**Ms Phillips:** Yes. It includes the operation of water management infrastructure, so the operation part of it, the approvals to utilize water for agriculture and municipal and industrial uses, and, of course, compliance and enforcement of the Water Act, which is key.

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

In last year's budget you had cut this line by \$3 million over the previous year. This year your estimate has increased by nearly \$13 million. What is the reason for the substantial increase?

**9:30**

**Ms Phillips:** The '16-17 estimate has increased due to \$10 million required for the TransAlta agreement. That's the agreement with TransAlta, the irrigation districts, the municipalities, First Nations, and others for managing the Bow River for both drought and flood events. And there is a \$5 million budget adjustment in addition to that to align budget with ministry spending requirements on dam operations. There is an offset here, hon. member, as well: a \$2 million reduction for funding for the resilience and mitigation branch and a \$0.2 million decrease due to government-wide reductions.

**Mr. Loewen:** Okay. Now, the dam you mentioned, is that the Springbank project?

**Ms Phillips:** No, it is not. It is currently operating dams, which is not the Springbank dam.

**Mr. Loewen:** Okay. No problem. Thank you.

Moving on to line 5, which deals with fish and wildlife, I see that there has been an overall decrease in this area of \$300,000.

**Ms Phillips:** That's correct, hon. member.

**Mr. Loewen:** With the movement of parks conservation enforcement from Justice to Environment and Parks, does this include all fish and wildlife officers or just the enforcement within parks?

**Ms Phillips:** No. The fish and wildlife officers remain in Justice and Solicitor General. It is simply the conservation officers that have moved over to the department.

**Mr. Loewen:** Okay. So the \$300,000 decrease: are there some savings that you've come up with there? Where did that cut come from?

**Ms Phillips:** There are government-wide reductions as we enter this period of ensuring that we are finding efficiencies across government, and this is part of it.

**Mr. Loewen:** Okay. Any idea what that efficiency was? Is it reduced staff? Is it reduced supplies?

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

**Mr. Corbould:** In several areas in the budget we have a reduction in both manpower and supplies and services. They are throughout the budget. Essentially, we've spread that overall reduction throughout the different parts of the department, right down to every level. The kind of example I would use is program area management staff. We are in a hiring restraint. We'll continue to be careful with that hiring restraint and make sure that every request for a new position is absolutely required and follow the procedures that have been outlined in the hiring restraint. It also means prioritizing work. It means reviewing travel contracts and how we do things: do we have a meeting somewhere down in Calgary, or do we do it by VTC to save money? All those kinds of efficiencies as well as supplies for administration: those are just applied across the whole department to achieve that percentage in each of those areas. So everywhere you see that, that's the example of things we're going to do.

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

Okay. We're going to line 5.1, that deals with fisheries management. Now, given the failure of the department's approach to aeration this year, do you have an estimate on what the cost of restocking programs in the lakes with total or heavy fish kills will be?

**Ms Phillips:** One moment, hon. member. As you are speaking of the lake aeration project, let's just ensure that we have correct information here.

**Mr. Loewen:** Actually, what I'm asking is the cost of restocking the lakes with total or heavy fish kills.

**Ms Phillips:** The aeration efforts that were undertaken via a memorandum of understanding with the Alberta Conservation Association were funded, in the first instance, by the ACA, and we are now working with the ACA to ensure that they have responsibility for the cost of the restocking and the clean-up efforts. Certainly, the . . .

**Mr. Loewen:** So you're saying that the cost of restocking will be the ACA's responsibility?

**Ms Phillips:** It is a joint responsibility between Environment and Parks and the Alberta Conservation Association given that . . .

**Mr. Loewen:** And is there a cost for that? Do you have a cost for that?

**Mr. Corbould:** There's not an additional cost than there would be normally for restocking. All those lakes are stocked every year, and we will continue to stock them this year. That will happen in the month of May. That is part of the budget. There's no additional cost given what happened with aeration. It just means that we're going

to use bigger fish because we do have some bigger fish that we can put in there, so we'll stock with bigger fish than we would normally have done. It's going to take a couple of years to return that to the state it was at before.

**Mr. Loewen:** Basically, the cost won't change much as compared with a typical year, then?

**Mr. Corbould:** No. That's correct.

**Mr. Loewen:** I guess you'll do it at the regular time of restocking.

**Mr. Corbould:** Yeah. This month, the month of May, is the big month for restocking lakes.

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

Last year was the first year of the tiger trout program. How is this introduction of a new species integrating into our fisheries?

**Ms Phillips:** What is the line item that you are referring to?

**Mr. Loewen:** We're talking about fisheries management, line 5.1. If you want to undertake to provide that, that's fine. I'm just curious as to how it's working out, the tiger trout introduction.

**Ms Phillips:** I will defer to Deputy Minister Corbould, who has time to go fishing a lot more than I do.

**Mr. Corbould:** I haven't caught one yet, but it has been introduced, and I would say that so far it has gone well where it's been introduced. It's been introduced in isolated areas, and so far it has gone well. We haven't completely evaluated that system, and we haven't yet made decisions on what we'll do in future years with regard to tiger trout.

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

Line 5.2, wildlife management. I see a slight decrease in funding this year of about \$215,000. Is this due to cutting inefficiencies or the end of some program?

**Ms Phillips:** Line 5.2, hon. member?

**Mr. Loewen:** Yes, 5.2.

**Ms Phillips:** That one is a slight reduction due to government-wide reductions as discussed by Deputy Corbould.

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

Last year we discussed the problem of ungulates causing extensive damage to fencing and crops. Does that funding come out of this line item?

**Ms Phillips:** Yes, it comes out of that line.

**Mr. Loewen:** We also talked last year about some concern regarding a program where, when certain species of wildlife were damaging property, you can apply to the fish and wildlife division district office for a damage control licence. This licence provides legal authority to hunt or trap the nuisance wildlife to attempt to minimize the damage. It was stated that you believe this program was still active. Can you confirm that as your department did not get back to us on that?

**Mr. Corbould:** Yes, it is still active.

**Mr. Loewen:** Still active.

Any idea how many permits were issued last year on that?

**Mr. Corbould:** I don't.

**Mr. Loewen:** Could you undertake to find out?

**Mr. Corbould:** We could.

**Mr. Loewen:** Thank you.

We've discussed the Suffield elk and strategies to ensure all elk that are harvested are recorded and counted no matter who harvested them. Do you have any strategies to address these issues as far as the harvest on Suffield and what's happening with that?

**Ms Phillips:** Yes, I do, hon. member. I do have an update for you on this. Just give me a moment, and I shall give it to you. Environment and Parks is looking at reducing the CFB Suffield herd, and we're doing a collaborative initiative with our national counterparts at CFB Suffield. We're going to continue that work.

The '15-16 elk hunt involved seven six-day seasons between November 2, 2015, and January 30, 2016. The total number of elk harvested in '15-16 was 681 antlered and 919 antlerless for a combined total of 1,600 animals. I am pleased to report that to date no cases of chronic wasting disease have been found in the tested elk from CFB Suffield.

What we did move forward with last year was an increase to include more seasons and more opportunities for Alberta registered hunters. Last year was the first year registered hunters could apply to hunt either antlered or antlerless, and those licences were part of the special elk licence draw process. We will be moving forward with that, and we'll have more to say about it fairly soon as the new hunting guidelines and so on are released in the coming weeks.

**Mr. Loewen:** That sounds good. Those harvest numbers are total harvest numbers, both licensed and nonlicensed?

**Ms Phillips:** Yes. In that area.

**Mr. Corbould:** Yeah. For sure.

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

Are the numbers of elk still increasing?

**Ms Phillips:** I would defer to the subject matter experts on the wildlife side because, of course, the monitoring happens continuously in response to the hunting season, which has just recently wrapped up. Of course, anecdotally, I would suspect this to be true, that the herd is quite large. The herd is also moving around a little bit and attempting to avoid where the hunters are. They're quite clever. We're examining that in terms of the wildlife management zones and where they can be hunted as well, and that will form part of the policy as we move forward through the spring, when we announce it.

**9:40**

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

Now, just to get back to the question, though, did those numbers include all the elk taken, nonlicensed and licensed?

**Mr. Corbould:** Yeah.

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

Then, of course, as far as the numbers increasing, do you have a number on how many elk are there? There must be some sort of study done on how many there actually are there.

**Ms Phillips:** Again, those wildlife counts are something that is ongoing, and oftentimes this is the time of year. Given that we've

just come through a hunting season in which we had 1,600 animals taken off the landscape, when we . . .

**Mr. Loewen:** What was the last number?

**Ms Phillips:** I think we would have to get back to you on that because right now we are in the process of – this is the time of year when decisions around the number of tags and so on are made. This is the time when I receive advice from the ministry on how to move forward on that for next year's hunting season.

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

In the Ag and Forestry estimates it was asked if the minister considered working with outdoor and hunting groups to develop a strategy to put affected farmers and hunters together to develop a working strategy to reduce claims due to overpopulation of ungulates in certain areas of Alberta. Is this an idea that you would commit to looking into?

**Ms Phillips:** We will have a look at it, yes, hon. member.

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

**The Chair:** Excuse me. I'm just going to interject. I know that the majority of the questions that have been asked so far are focusing on expenditures and are details of the business plan; however, there are some that are outside of that scope. I want to ask you, Member, to please focus on expenditures and the business plan. I also want to encourage both the minister and the member to please have the discussion flow through the chair. You seem to be going back and forth with each other. It's just a friendly reminder.

Thank you.

**Mr. Loewen:** Just to clarify, do you want me to be looking at you when I'm asking questions?

**The Chair:** No. Just be conscious of it, that you're not going back and forth directly.

**Mr. Loewen:** Okay. Line 6.1 deals with resource management. After a significant increase from 2014-2015 you decreased your estimate by \$3.5 million. What was the rationale behind those cuts?

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

**Mr. Loewen:** Sorry. I'll repeat it. Line 6.1, resource management.

**Ms Phillips:** Thank you. Yes, the estimate is lower due to a \$5 million adjustment to program spending related to ministry spending pressures in the water management program: \$0.3 million for government-wide reductions, partially offset by \$1.7 million for the integrated resource management system secretariat funding, the IRMS secretariat, and \$1 million in eight FTEs from Energy and a \$0.7 million budget reallocation from corporate services.

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

Line 6.2, regional cumulative effects management: what does this line item deal with, and why was the budget doubled from last year?

**Ms Phillips:** What we have done is a program reorganization related to the realignment of the planning branch. It's not necessarily so much new money as it is money moving from one place to another.

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

Is there any staff or communications coming from here or elsewhere out of this?

**Ms Phillips:** Perhaps the senior financial officer, Mr. Peterson, can provide more detail on that matter.

**Mr. Peterson:** The increase in staff for the IRMS is coming from both within and outside of the department. The Department of Energy is supplying some of those staff as well, but otherwise it's coming from within the department.

**Mr. Loewen:** Existing staff just moved around?

**Mr. Peterson:** Right.

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

Line 9, page 107, deals with science and monitoring. On line 9.1 the budget was decreased by nearly \$8 million. Why is that?

**Ms Phillips:** When we undertook to move AEMERA back into the department, we knew that there would be some administrative savings. I'll have Deputy Minister Corbould outline what those are. Certainly, when one is for example housing a monitoring division within one's own real estate as opposed to paying commercial real estate rates down the road, when one has rationalized the number of senior managers and communications staff, when one has rationalized the supplies and services and other government procurement as opposed to private agency procurement, savings are realized there.

In addition, as we reintegrate the monitoring efforts that had been transferred over to AEMERA – and there were a number of monitoring efforts still happening within the department; we ended up with some duplication of efforts or confusion of roles and so on – we expect that those will result in savings as we reintegrate monitoring into one core function of government and a core responsibility of government.

For the specific pieces on that I'll defer to Deputy Minister Corbould.

**Mr. Corbould:** Yeah. Just a couple of things to add. Part of the savings is coming out of the fact that in the current organization there is a CEO and four vice-presidents. They will all be replaced by one chief scientist, who is one of those people, so we're going to save on that.

We're also going to save from a corporate perspective because AEMERA had its own corporate support services piece that did all the activity, and that will be provided by our corporate services folks. Now, there are a few that will transition back in and join our corporate services team in AEP, but generally it's a lot more efficient. And also things like infrastructure: we'll be able to pay for some of the monitoring infrastructure, like their offices in Edmonton, out of our corporate services budget to allow – some of that money used to be spent out of the monitoring budget in AEMERA.

The other thing I would say, just to add to what the minister spoke about the other monitoring pieces, is that there's approximately \$8.5 million worth of other monitoring activities that happen in the department aside from AEMERA, things like land-use framework grants for monitoring, river flood monitoring, caribou-wolf management monitoring, all of those things. Those are additional monitoring activities.

So when you compare the \$70 million and that \$8.5 million, it's being rationalized now. The bottom line is that the money that's in the budget, we feel, is certainly appropriate for the amount of

monitoring that needs to happen in this year given the plans for monitoring and the scientific plan that is being developed.

**Mr. Loewen:** Okay. So there will be some job losses there in that transition, then?

**Mr. Corbould:** There will be job losses at the vice-president level, and that's about it. There are no unionized or collective bargaining losses because those are all the actual doers in the field that do the monitoring, and all that carries on. There are going to be some minor redundancies in terms of vice-presidents and some of the chief executive directors.

**Mr. Loewen:** Is there any cost associated with severance or buyouts on that?

**Mr. Corbould:** Yes, there is. It's part of the budget that's been considered, but I would say that – I've looked at all of those – they're within, generally, the norms in terms of severance packages for those VPs.

**Ms Phillips:** Yeah. Just to add, those matters are quite infinitesimal compared to both the advantages of ensuring that monitoring is a core responsibility of government on the level of health and the elimination of duplication and executive pay packages and so on that were not necessarily reflective of undertakings within the Alberta public service. You know, from our perspective, our international reputation, our national reputation with our trading partners and others rest on monitoring being of the highest scientific quality but also being a responsibility of government.

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

We've been told a lot of times that the savings will be reinvested in environmental monitoring. Is the government redirecting these funds, and if so, to which line item?

**Mr. Corbould:** The line item you referred to on science and monitoring . . .

**Mr. Loewen:** Yes.

**Ms Phillips:** Line 9.2, I believe.

**Mr. Loewen:** Line 9.1.

**Mr. Corbould:** Line 9.1. That represents the budget, and of course there's \$20,520,000 coming from government, and the other is coming from industry, the \$50 million that comes from industry. That is the budget required. As we do things like returning the organization back to the government, any savings that are realized will be reinvested in monitoring. That money would have been spent on AEMERA as is. Now that we're bringing it back in, we are going to have some savings that will be reinvested in monitoring. I've given guidance to the chief scientist . . .

**9:50**

**Mr. Loewen:** Which line item are these funds going to now?

**Mr. Corbould:** Line item 9.1, \$20 million.

**Mr. Loewen:** Yeah. The budget has decreased by \$8 million, so where's that \$8 million going?

**Mr. Corbould:** Okay. The decrease is the savings based on what we need to do for monitoring. Once that decrease is done, because we're bringing it back in, there will be further savings that will be

reinvested in monitoring because we don't need to pay the administration.

**Mr. Loewen:** Where is it going into monitoring?

**Mr. Corbould:** Well, it's in 9.1. It's just that with the AEMERA organization part of that 9.1 was going to administration. What we're saying is that now, because we're going to provide a lot of that administration for them, the money they save because of that, the money they save because they won't be paying the salaries of the VPs, all of that will go into monitoring.

**Ms Phillips:** Perhaps, Mr. Chair, I could provide an item of clarity here. For the '15-16 forecast, line 9.1, that \$28 million went to AEMERA, that previous \$28 million, right? That was the province's transfer over to the agency, as was the \$50 million from industry. Now those transfers will not happen. They will not go over to an agency. They will stay within government. Yes, there have been some reductions also because there have been government-wide reductions.

**Mr. Loewen:** But specifically we have been told that savings will be reinvested into environmental monitoring. We have an \$8 million reduction on line 9. Where's that \$8 million showing up in environmental monitoring? Which line item is it showing up in? It's a reduction.

**Mr. Corbould:** The reduction is not where the savings are being made on monitoring. The reduction was going to happen regardless of what we did with AEMERA anyway because we don't need that much money. For example, AEMERA didn't spend the \$28 million that they were given this year. So the reduction was done based on budgeting, forecasting for this coming year and what we need. We need that much money. Because, in addition to that, we're bringing AEMERA back into government, we'll need even less money than that because they won't have to pay for their own administrative organization. So that money, which we estimate at about \$3 million to \$5 million at this point, will stay in that budget, but the chief scientist has been told: use that to ramp up your monitoring efforts, whether it's technology, and those kind of things.

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

Now, line 11.2 is surface rights and land compensation boards. The industry-funded orphan wells program initially received \$30 million. What is the current status of the fund, and will the government be putting any more money into it if it's required?

**Ms Phillips:** Yes. One moment. I have some updates for you on that.

**Mr. Loewen:** Just to keep on track here: the current status of the fund, and will you be putting any more money into it?

**Ms Phillips:** I will defer to Deputy Minister Corbould on the matter.

**Mr. Corbould:** The orphan well fund?

**Mr. Loewen:** Yes. Current status, and will you be putting any money into it?

**Mr. Corbould:** Well, we don't put money into it. It's funded by industry. It's run by the Alberta Energy Regulator.

**Ms Phillips:** The orphan well fund is a matter for estimates of the Ministry of Energy, Mr. Chair.

**Mr. Loewen:** Okay. There are approximately 724 orphan wells and over 60,000 abandoned wells. Are there changes being considered to ensure reclamation, lease payments, and all other obligations are met by the oil companies?

**Ms Phillips:** Yes. Those matters are being undertaken in collaboration with the Department of Energy.

**Mr. Loewen:** Line 12.2 deals with flood mapping. Do we have an update on the flood mapping?

**Ms Phillips:** The department has undertaken five new studies to identify river hazards and produce new flood inundation and flood hazard maps for the Bow, Elbow, Sheep, Highwood, and Peace rivers. In total approximately 520 kilometres of river will be studied and mapped. The study areas cover many of the population areas in the Bow River watershed and along the Peace River, and we have taken a risk management approach to this, doing the areas of highest risk first. Our municipal partners and other stakeholders have been engaged in this process and will continue to be and will have the opportunity to review and comment on draft flood mapping prior to finalization.

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

Now, last year when we talked, it was stated that 70 per cent of the populated area is complete. How much of the populated area is complete now?

**Ms Phillips:** I will defer to Deputy Minister Corbould on the matter.

**Mr. Corbould:** Not a lot more because, like it was explained only a few months ago, it is a very complicated process that requires both community input and back and forth, understanding their needs and all the modelling that's done. In the space of the last five months, since the last estimates discussion took place, there have been no new formal flood maps issued that I'm aware of, but work continues on 520 kilometres of river being mapped that the minister mentioned.

**Ms Phillips:** And, Mr. Chair, there are some updates in terms of community breakdown, if the hon. member wishes. Since we last spoke, flood hazard maps have recently been completed and finalized for Nisku and the McDougall Flats area upstream of Sundre. Other flood hazard mapping studies that have been technically completed and are in the community engagement process or municipal-provincial implementation stages are Whitecourt, Banff, Penhold, Rycroft, Thorsby, Two Hills, Irvine, Walsh, and Pine Creek in Calgary. Engagement has begun with affected municipalities and WPACs, the watershed planning and advisory councils, to notify them of our intent to begin flood hazard study in some new areas. The hydraulic modelling and flood inundation mapping recently completed, in July 2015, in partnership with the city of Calgary for the Bow and Elbow will form the core of the new investigations for Calgary.

**Mr. Loewen:** Okay. Now, are there priority areas that still remain unmapped? Are we updating areas hit by intense flooding and whose flood mapping has changed considerably?

**Ms Phillips:** I will defer to Deputy Minister Corbould. We are, as I understand it, taking a risk-based approach to this, doing the most populated and/or most likely to be affected areas first.

**Mr. Corbould:** The priorities that the minister mentioned are what were the evaluated priorities in the last year. We have not re-

evaluated the next step. We will do that as part of a future budgetary consideration. This is what we're doing now.

**Mr. Loewen:** Okay. Are we still on pace to finish by 2017?

**Mr. Corbould:** Yes. But I would also add that flood mapping carries on forever and that the thought of you ever being finished is just not a real thought. Every year with climate change – and it's part of our climate change adaptation, really – there are these extreme events. The conditions change every year, so every year you have to re-evaluate what the priorities are and what the needs are. It never ends.

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

Business plan: in the business plan preamble you state, "The Alberta Climate Change Office has been [created] to implement the Climate Leadership Plan." How much is being allocated to administration of the climate change office?

**Ms Phillips:** I'll refer the hon. member, Mr. Chair, to the climate leadership plan items in the budget, which are – where?

**An Hon. Member:** Section 10.

**Ms Phillips:** Section 10. Thank you.

We have a number of lines there related to implementation. We are at the very early stages of implementation of the plan and of setting up the climate change office. For specific details on where we are at with respect to that, I will defer to Deputy Minister Werry.

**Mr. Loewen:** So the question is: how much is allocated to administration?

**Ms Phillips:** Yes.

10:00

**Mr. Werry:** Right now we have 40 staff in the climate change office as of today, and the full cost of the climate change office when it's fully up and running will be right around \$10 million for the implementation.

**Mr. Loewen:** Okay. So that \$10 million is for staff and what else?

**Mr. Werry:** That's the full amount for staff and the related costs of supplies and travel and the kinds of things you need to do when . . .

**Mr. Loewen:** Do you have staff in place already?

**Mr. Werry:** I just mentioned that we have 40 staff in place already.

**Mr. Loewen:** And do you plan on hiring additional staff?

**Mr. Werry:** Yes. We're in the process of building out, and I think we'll be – we're in the process of doing that right now, so I can't tell you exactly when we will be fully staffed. But it will be around 70 and could be as high as 90, depending on how we chunk up the work.

**Ms Phillips:** Mr. Chair, just to add a couple of things about what folks will be doing there . . .

**Mr. Loewen:** Actually, that's fine. I've got the answers I need there. I appreciate that.

**Ms Phillips:** It's not administration.

**Mr. Loewen:** Does leading the implementation of the climate leadership plan include collecting the carbon tax? Is that part of that?

**Mr. Werry:** We're working with our colleagues in Treasury Board and Finance, and they'll be responsible for the administration of the levy itself.

**Mr. Loewen:** Okay. So they'll be responsible for collecting it? That won't be your part?

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

**Mr. Loewen:** Okay. Oil companies are already struggling with low oil prices. How much do we expect emissions to decrease this year simply from decreased activity?

**Ms Phillips:** There have been some emissions reductions that we've seen over 2015, but those numbers have yet to be finalized by Environment Canada. However, the numbers are in flux, obviously, due to the downturn in the economy. That much is clear. The numbers are also in flux because of modelling and monitoring. We have a situation where the federal government has renewed its interest in the matter of caring about greenhouse gas emissions. Therefore, we have increased our measuring and reporting as a – at least the federal government has signalled its intent and begun that work. There are also new tasks coming out of the Paris agreement that must be implemented. So much of this is necessarily a work in progress (a) because with data there is always a little bit of lag time and (b) because much of the measuring and reporting and so on come from the expertise provided by Environment Canada and NRCan.

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

What's going on with carbon capture right now?

**Ms Phillips:** Can you refer me to a line item in the budget, please, hon. member?

**Mr. Loewen:** We're talking about your business plan. Is carbon capture in your business plan?

**Ms Phillips:** I do not believe it is. Is it in my business plan?

**Mr. Loewen:** So you're not dealing with anything on carbon capture right now?

**Ms Phillips:** If there are items related to carbon capture and storage, existing contracts, they are not in the Environment and Parks estimates that are under deliberation currently.

**Mr. Loewen:** So there are no line items that deal with carbon capture. Thank you.

Can offsets and emission performance credits be used past the expiry of specified gas emitters to meet carbon levy obligations?

**Ms Phillips:** I will defer to Mike Fernandez in climate implementation on that matter.

**Mr. Fernandez:** We still have to undertake some additional work to assess the treatment of credits in the long term. Right now we are about to transition from the specified gas emitters reg to sector-specific performance standards over the next 18 months. So the question that you're asking is one that we're assessing over the next 18 months as well?

**Mr. Loewen:** Okay. Will their use be restricted to large final emitters or extended to all those affected by the carbon levy?

**Mr. Fernandez:** I believe that the offset credits are only available to large final emitters under the SGER.

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

In the preamble of the strategic context on page 50, third paragraph, it says, "Effectively managing the impacts of outdoor recreation may also create an opportunity for expansion of recreation and tourism industries as part of a transition to a greener economy." What is meant by effectively managing the impacts of outdoor recreation?

**Ms Phillips:** Well, as all hon. members know, there are a number of different pressures on our landscapes and our protected areas and our conserved areas. For example, there are, you know, a large number of recreational activities that happen on our public land and in our parks. We need to make sure that those are appropriate, that there's the right regulation and enforcement of activities in conservation areas, and that as much as possible we manage the linear footprint so that we can ensure biodiversity and ensure that we are protecting our wildlife and fish populations and ensure that the right infrastructure is in place for families to be able to have those high-quality outdoor experiences. That is why we made the parks infrastructure investments that we did. They are some of the most significant investments in our parks system in the last decade. We were proud to do that because we know that those are experiences that make memories for families and that are part of our identity as Albertans.

**Mr. Loewen:** Is there any outdoor recreation specifically that you're concerned about?

**Ms Phillips:** Well, you know, I think there needs to be an investment in infrastructure in our parks and in our enforcement capacity on public lands and in parks, which is why we've strengthened those activities and made those parks infrastructure investments.

**Mr. Loewen:** Okay. That's fine, then.

We'll go to key strategy 1.1. There's mention of developing woodland caribou range plans. When will the Little Smoky caribou report be released?

**Ms Phillips:** Well, yeah. I mean, on the woodland caribou we, of course, have to file our range plans with the federal government by 2017. We have a number of different challenges within that space of Little Smoky-A La Peche. We have forestry jobs, we have oil and gas activity, we have indigenous concerns, and we have the caribou.

**Mr. Loewen:** Actually, I'm talking about the plan. Is the plan finished?

**Ms Phillips:** We have worked with the municipalities and others to develop a plan, and we will be talking with the public about that imminently, within the coming weeks.

**Mr. Loewen:** I'm just asking: is the plan finished?

**Ms Phillips:** You know, I think that we do have the beginnings of, certainly, a consensus with respect to how we might move forward on woodland caribou, and we'll be having more to say about that in the coming weeks.

**Mr. Loewen:** So you're saying that this plan is not finished?

**Ms Phillips:** I am saying that government is deliberating on our approach to the management of this species at risk and that we will be moving forward imminently on releasing that plan.

**Mr. Loewen:** So this Little Smoky caribou report: has anybody received this so far?

**Ms Phillips:** Well, government has received it, and government is deliberating upon it.

**Mr. Loewen:** That's it, just government? Can this plan be tabled? Can you undertake to provide it for us?

**Ms Phillips:** Once government has concluded its deliberations, then yes. Certainly, this plan was developed with a very high level of engagement and consultation with the affected parties, so it took some time.

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

Let's go on to key strategy 1.3. Again, it discusses increasing and enhancing Alberta parks. Is the maintenance and administration and running of provincial parks a tender process, or is it being turned over to be run by the province?

**Ms Phillips:** I will defer to Deputy Corbould on this matter of parks administration. We do have Assistant Deputy Minister Steve Donelon here as well. Actually, Steve, would you mind providing some clarity on this matter of management of parks?

Infrastructure in particular, hon. member, is the question?

**Mr. Loewen:** Yeah. The maintenance, administration, and running of provincial parks.

**Ms Phillips:** Understood.

**Mr. Donelon:** It's a mix of both of those. We go through . . .

**The Chair:** Sorry. Just to interject, could you please just introduce yourself before you respond.

*10:10*

**Mr. Donelon:** Sorry. Steve Donelon, assistant deputy minister of parks.

The question that you're asking: it's a combination of both of those. We have a number of sites that are run by the government, and then we have a number of sites that are tendered out for operation, both our campground operations and a number of our maintenance operations.

**Mr. Loewen:** Thank you.

Is there a specific direction the government is going with that right now as far as the new ones that have to be taken care of? Is the government tending to go more with the tendering or tending to be more with government run?

**Ms Phillips:** Each project is evaluated on its own merits for cost-effectiveness, ensuring that the work gets done in a timely fashion, and integration with the other undertakings of the department.

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

Last year included a significant priority initiative in creating new parks or reclassifying existing ones. It was mentioned that your department wanted to create 12 new parks. Where are we at in this process? Do we know which new parks are being created and which

current parks are being reclassified? Specifically, which ones are being planned right now?

**Ms Phillips:** Well, we have a number of parks that were proposed under the lower Athabasca regional plan, and those were, of course, up north. That full list is on the website, I believe. I can't rattle them off quite off the top of my head.

**Mr. Loewen:** Understood.

**Ms Phillips:** There was also some redesignation and so on that is going on with the implementation of the South Saskatchewan regional plan as well.

**Mr. Loewen:** Thank you.

Where are you with the review of your department's ABCs, you know, specifically the DAOs such as APOS and ACA?

**Ms Phillips:** Well, certainly, all of our ABCs were reviewed. In our first instance, of course, we have an amalgamation of the Surface Rights Board and so on, our quasi-judicial bodies.

**Mr. Loewen:** Let's just stick with APOS and ACA.

**Ms Phillips:** ACA and APOS both receive revenue from the sale of sport-fishing and hunting licences.

**Mr. Loewen:** I'm actually talking about your review of these.

**Ms Phillips:** Yes.

**Mr. Loewen:** Are the reviews completed on these?

**Ms Phillips:** No.

**Mr. Loewen:** Okay. So have there been audits done?

**Ms Phillips:** No. Certainly, in the case of ACA and, I believe, APOS as well they post their financial statements, strategic plans, and so on in quite a high level of detail on their website.

**Mr. Loewen:** So there's been no government audit on these.

**Ms Phillips:** We have begun the process of reviewing our delegated authorities.

**Mr. Loewen:** I'm actually talking about audits now.

**Ms Phillips:** No. Not a specific, I guess, what one might call forensic audit or with any level of that kind of granularity. No.

**Mr. Loewen:** No. Okay.

**Ms Phillips:** Not by us. But, certainly, in the case of the ACA their business plans and financial statements and so on are quite detailed and contained on their website.

**Mr. Loewen:** Okay. Outcome 3, specifically key strategy 3.3 on page 53: "Initiate revision of the Alberta Fish and Wildlife Policy to address increasing and changing pressures." Can you elaborate on what exactly this means for Alberta's hunters and anglers?

**Ms Phillips:** On this matter of management of fish and wildlife I will defer to officials on this because these are ongoing issues related to populations, climate change, and so on.

**Mr. Loewen:** You talk about initiating revision of the Alberta fish and wildlife policy to address changing pressures, so I would like

to talk about that specifically and what exactly this means to Alberta's hunters and anglers.

**Ms Phillips:** I will defer to Deputy Corbould on the matter.

**Mr. Loewen:** Thank you.

**Mr. Corbould:** I would say that at this time there are no specific conclusions as yet. Having said that, the kinds of things we're looking into are their habitats . . .

**The Chair:** Thank you very much, Deputy Minister.

We will now move on to a member of the third party. Dr. Starke, would you like to go back and forth?

**Dr. Starke:** Yes, if that's acceptable to the minister.

**The Chair:** Okay. Please carry on.

**Dr. Starke:** Well, thank you, Chair. Thank you, Minister, and thank you, staff of Environment and Parks. I appreciate the opportunity to have some conversation about a number of topics and want to start by thanking you for the work that you do in preserving and protecting our natural resources and, you know, setting us on a pathway that I believe is the correct pathway in terms of ensuring environmental integrity.

I do want to spend a few minutes, Minister, just studying the very ambitious capital spending plan for Environment and Parks, that's actually outlined partly on page 48 of the fiscal plan. There's \$634 million estimated for this fiscal year and \$4.1 billion over the next five years, and that's a startling amount of money. In fact, it startled me somewhat to note that capital spending for climate change, environmental protection and sustainability for the next five years will actually exceed spending on health facilities and equipment as well as exceed spending on schools.

Now, over half of that \$4.1 billion, some \$2.2 billion, will be spent on the climate leadership plan, on the capital portion. I went looking for details on that, but the only thing I could find was on page 6, which is basically a repeat of what's on page 48. It indicates that the \$2.2 billion would be spent "in green infrastructure like public transit." Minister, is that what we're going to get in terms of detail on \$2.2 billion to be spent over the next five years? Am I going to get anything more in detail or information than, perhaps, expansion of LRT serving Edmonton and Calgary? What exactly is that \$2.2 billion going to be spent on?

**Ms Phillips:** Thank you for the question. Certainly, there will be considerable investments in infrastructure as we transition Alberta's economy to being a leader on climate change. There's no question that we will be reinvesting every dime of the carbon levy back into this province, and that means infrastructure. We are starting quite a bit behind the starting line relative to our peer jurisdictions with respect to our efficiency investments, public transit, and so on, so we are going to ensure that our work with respect to municipalities – rural, suburban, and urban – our work with respect to ensuring that we've got both efficiency happening but also use of new technologies is really world leading, and that's going to require quite a few investments. There's \$5 million in this budget year for green infrastructure, and the reason for that was essentially planning funds so that we can ensure that we're making the right investments going forward.

**Dr. Starke:** Okay. Minister, thank you.

Chair, the next question. I looked on pages 53 through 55 of the fiscal plan, and there are some 111 unfunded capital projects. It was interesting. I perused that list. I found 50 Education projects, 19



Transportation projects, 10 Culture and Tourism projects, nine Advanced Education projects, six Health projects, six Justice and Solicitor General projects, and the remaining 11 were split amongst five other ministries. What's curious to me is that there's not a single unfunded Environment and Parks project. Not one. Minister, I have to ask you: how do you account for your incredible success in getting every last one of your projects funded? Does this somehow reflect that your government's position is that there's no such thing as an environment project that shouldn't be automatically funded, or are you just more convincing, or do you not want to share your secrets, perhaps, with your cabinet colleagues?

**Ms Phillips:** Okay. Colourful as always, hon. member.

A couple of things here. In terms of those unfunded projects they're quite large compared to what we undertake for capital projects in Environment and Parks. I mean, of course, there's the Springbank off-stream dam project, which is a large investment, but, you know, our Environment and Parks pieces are quite a bit smaller than what one would see in Transportation for new highways, for example, or with health facilities and so on. There's that piece of it.

Also, many of the things that we operate in Environment and Parks are actually built through someone else's budget – right? – like transportation and water infrastructure, for example. There's that piece.

As for the future infrastructure investments, you know, we're talking about, in many ways, ensuring that we have retrofitted or made as efficient as possible the four walls of structures that currently exist, so a lot of those investments, future green infrastructure investments, will be going into those undertakings as well.

10:20

**Dr. Starke:** Okay. Minister, thank you for that. I appreciate it. I'll be watching to see if you continue to bat a thousand as we go forward.

Minister, I want to shift our focus now to the business plan. Back when we last talked about your business plan, in the November 2015 business plan under priority initiative 3.1 you referenced Alberta's Plan for Parks. You'll recall, I think, that I complimented you that you were the only minister that I had participated with in estimates that actually made reference specifically to a foundational planning document. So I'm somewhat saddened and bewildered as to why in the six months since that date you've dropped all reference to the Plan for Parks in this year's business plan. I just want you to provide, perhaps, some assurance to the committee and to Albertans that the strategies involved in the Plan for Parks are still going ahead.

**Ms Phillips:** Oh, I think I can underline that for you, hon. member. I don't think there was any real strategy in dropping that reference. It certainly remains a guiding document in terms of how we move forward with our parks infrastructure and investment in conservation for future generations. It remains in place. In addition to that, of course, we're ensuring that we've got a park management plan in place for the Castle, for example, and so on. We're moving forward on those specific projects.

**Dr. Starke:** Thank you. I appreciate that, Minister. If I could just maybe make a sideline comment on, specifically, the inclusion strategy. I think I mentioned this last time as well. This is an outstanding piece of work that's been done by parks officials. Certainly, Mr. Statt and Mr. Donelon are very familiar with this. It's an outstanding strategy for opening up the outdoor and parks experience to users that would otherwise be underrepresented

amongst our user base. I think that's something that I want to encourage you to continue doing.

I also want to ask about key strategy 3.2 because I think this is a very challenging one. I'm just going to read it into the record. It says:

Develop and implement a recreation management strategy for Crown Lands that fosters outdoor recreation planning and management, and nature-based tourism, within a green economy.

Then there's a note attached to that, and it talks about, in context, what "Crown Lands" means, and it also gives a definition of nature-based tourism that refers to

tourism that is undertaken largely or solely for the purpose of enjoying natural attractions and engaging in outdoor activities, whether for relaxation, discovery, or adventure.

It gives examples:

Camping, bird watching, trail riding, downhill skiing, hunting, mountain biking, motorized recreation.

Minister, I'm a little bit curious. If you could help me reconcile that key strategy and the inclusion, specifically, of motorized recreation with your other goals with regard to emissions management and emissions. I mean, I have absolutely nothing against off-highway vehicle use, that sort of thing – this is a major potential area for us going forward as far as tourism – but on our public lands I know that there are significant challenges and pressures, which you've talked about before. I'm just wondering. A simple question maybe: do you consider motorized recreation consistent with your climate change leadership plan?

**Ms Phillips:** The hon. member knows as well as I do the challenges of balancing OHV use on our public lands, probably better than anyone. You know, I think it's very clear that given the amount of OHV use in Alberta and the number of units sold in Alberta, it is a driver of the economy and certainly is a source of quite a bit of outdoor enjoyment for many people, particularly down in the Crowsnest Pass, et cetera. The challenge here is to ensure that those activities are appropriately supported in the right places, that their linear footprint does not become excessive, and that the infrastructure is in place such that creek beds, river valleys, and so on are not unduly disturbed by the activity. Certainly, that is forming part of the park management plan.

In a respectful engagement, as I have said many times both in interviews and in a recent guest column that I wrote for the *Calgary Herald*, we need to ensure that we move forward in a way that is consistent with the science. We have a number of species at risk and so on in many of these places. However, there are spots where those activities can be appropriate, particularly with the right infrastructure, and we will undertake to make that so.

**Dr. Starke:** Okay. Well, Minister, thank you for that. That's certainly an area of ongoing challenge, as you're certainly well aware.

I guess just a brief question, then, before we leave this topic, and that is with regard to the development of the Castle recreational area and the Castle provincial park eventually. Could you confirm for us: will motorized recreation be allowed within the Castle, within the Crown of the Continent?

**Ms Phillips:** We have not landed on which trails will remain open, if any. We are in the process of writing that parks management plan right now. As I've said, I want that plan to reflect in the first instance the local people, both the landowners and those who use it, in southwest Alberta, and that's how we're proceeding.

**Dr. Starke:** Okay. Great. Thank you.

Just before we leave the whole topic of recreational trails, I notice that the recreational trails pilot project was one of the ABCs that was

dissolved under the recent review of ABCs. It was a two-year pilot project, and we talked about it last November. In November you also stated that you wanted to see something going forward once the pilot was done. Could you maybe just elaborate on what is going to be going forward now that the pilot project has run its course?

**Ms Phillips:** I think much of this will come out of the parks management plan for the Castle. Of course, this is where we have a little bit of ground zero with respect to how we balance different uses in a very ecologically sensitive space. As we ensure that we've got it right and on the adjacent public lands, too, Livingstone and so on, then we will, I think, have a better sense of how we can move forward with the trails partnership . . .

**Dr. Starke:** Excuse me, Chair. I'm sorry, Minister. I don't mean to interrupt. I guess I'm not specifically asking with regard to the Castle. I'm asking on a broader perspective of the work that has been done as a result of the pilot project for recreational trails across the province. Is that work going to be continued? What plans are there for continuing the development of recreational trails? Talk about, for example, the motorized recreation, that we were just speaking about a few minutes ago.

**Ms Phillips:** You know, there will be efforts on better planning and management of outdoor recreation and trails on Crown lands. There is a renewed effort to establish legislation, policies, and planning processes to help guide that support of a sustainable trails system. The recreational trails partnership work will inform the work as we go forward. The reason I mentioned the Castle is that part of this will form, if you will, something of a mini-pilot to move forward on how we're going to balance these competing uses.

**Dr. Starke:** Okay. Great. Thank you.

I want to shift gears a little bit now. Of course, as part of the climate leadership plan – and you've mentioned already the number of green initiatives that is to be financed through the carbon tax, or levy; take your pick – I want to talk a little bit about wind energy. In the past, Minister, there has been quite a bit of interest in some of your past writings, and I'm interested in them as well. I found an article in the May 2007 edition of *Alberta Views*, that I actually found was very well written, and I enjoyed it. It has to do with wind energy in the province. In the article you talked about a cap that was imposed by the Alberta Electric System Operator in 2006 that sort of froze or put some development of wind energy on ice at that time. That cap, of course, has since been lifted.

I realize that power generation is within the purview of the Department of Energy, but clearly a shift to renewable energy generation is certainly part of what the climate leadership plan includes. I guess my question is: considering the amount of additional generation that is going to have to come on stream to replace coal-fired generation, are you confident that we're going to have an influx of capital investment, as you indicated would happen back in 2007, or is this something that is going to require quite a bit of government support and subsidization?

**Ms Phillips:** Well, certainly, the Leach panel recommended one way, the renewable energy credit auction, to phase in renewables, and part of that is within the budget estimates. However, hon. member, I fail to see how an article I wrote as a freelancer nine years ago pertains to the budget estimates under consideration for the 2016-17 Committee of Supply.

10:30

**Dr. Starke:** Minister, you know, I'll give you that it's maybe a bit of a tangential connection. I'll give you that. But we are talking

about the climate change leadership plan, and as you said, Mr. Leach did very clearly indicate that a big part of us becoming climate change leaders is going to shift away from coal-fired generation. I think wood-fired generation is certainly part of that, so I thought we could make the connection. But, you know, that's fine.

Let's move on to another topic that I wanted to ask a little bit about, and that's the Climate Change and Emissions Management Corporation. Now, it has played an important role in funding initiatives that reduce greenhouse gas emissions and promote industrial energy efficiency. The budget has allocated – in 2015-16 there was an allocation of \$60 million from the fund to be delivered as grants through the corporation, but the forecast for that year according to page 115 of the estimates is to be reduced to zero, and only \$7.4 million is to be used as energy efficiency grants. Can the minister explain to me or to the panel or to the committee why the fund has only utilized 12 per cent of its grant capacity for the past fiscal year, and could the minister also explain why the fund will provide no grants through the corporation's funding process this year?

**Ms Phillips:** Just as a matter of the context to provide first, the investments in innovation and technology will take place under the \$175 million, under expense, and the CCEMC's efforts will be captured within that. We're going to ensure that we've got the right investments in the corporation. We believe very strongly in its work, and we want to make sure that we are making the right levels of investments in that. So part of that will be sort of a planning year in 2016, with the least amount of disruption possible to its undertakings.

As for variance and so on, hon. member, I will defer to Deputy Minister Werry for those matters.

**Mr. Werry:** As the minister has already indicated, the funding relative to the Climate Change and Emissions Management Corporation will be in that \$175 million that's identified for other investments. With respect to energy efficiency grants in '15-16 I believe those were items that were cast as energy efficiency under the Climate Change and Emissions Management fund's previous spending. Just to be clear, there will continue to be investments in innovation through that mechanism but within that \$175 million.

**Dr. Starke:** Okay. Well, just staying with the climate leadership plan and the revenue from the specified gas emitters regulation compliance payments, I note that the estimate for this year is \$101 million, and it's to rise to \$146 million in the subsequent year. Then we have a major jump in 2018-19 to \$917 million. I was just wondering if the minister could provide us with some explanation as to: what is the cause of that major increase, who's paying for that or who's making those payments, and do they know that that's coming?

**Ms Phillips:** The short answer is yes. This plan, as we all know, has been roundly supported by all of our large final emitters here in Alberta, including the oil sands, who stood with us on announcement day, including the cement manufacturers, the Mining Association of Canada, and others.

However, for the specific technical details as we phase out the specified gas emitters regulation and phase in a system of performance standards, I will defer to Executive Director Mike Fernandez for the source of how that is all moving forward.

**Mr. Fernandez:** Thank you, Minister. The reason you see the increase between '17-18 and '18-19 is because you have an increase in price as we shift from \$20 per tonne to \$30 per tonne on January

1, 2017. That will also reflect the application of, say, a couple of dozen site- or sector-specific performance standards. You're going to see an increase of coverage in the emissions we have in the province, so that's why you see the jump.

**Dr. Starke:** It's just that it's remarkable. It's like six times.

**Ms Phillips:** Yes.

**The Chair:** Thank you, hon. member, and thank you, Executive Director Fernandez.

We're now going to move on to the fourth and fifth parties. Dr. Swann, my understanding is that you are willing to share the time with Mr. Clark.

**Dr. Swann:** Okay. Yes.

**The Chair:** Yeah? So just for clarification, are both of you wanting to go back and forth with the minister?

**Dr. Swann:** Yes, indeed.

**The Chair:** Then we understand that you will have the 10 minutes to go back and forth. Okay. Please carry on, Dr. Swann.

**Dr. Swann:** Thank you very much. Thank you to the minister and the staff. I appreciate some of the leadership you're showing in Alberta on some long-standing environmental issues, one of which I've talked to the minister about, chronic wasting disease. I assume it's related to item 5.2, wildlife management. It continues to fester in the south and mostly the eastern part of the province. Saskatchewan continues to have the largest endemic infection of prion disease in Canada and doesn't appear to be serious about monitoring it and eliminating it from its game farms. The deer and elk game farms seem to be a continuing source of it in Saskatchewan.

I know that we're spending some money on control of wasting disease. I wonder if we're doing enough. I wonder if we're screening sufficiently. I wonder how many animals killed in the area are actually slipping out of the screening process. I wonder how well we're collaborating with Saskatchewan to get them to be more aggressive and whether federally the Canadian Food Inspection Agency is doing their job. This looks like it's an ongoing problem not only for wildlife but potentially for agriculture since these prions are now spreading into the environment and persist for decades and are now identified inside growing plants and are a potential source for international boycotts of our agriculture industry. Are we taking it seriously enough? What is your investment today in controlling wasting disease?

**Ms Phillips:** Thank you for the question. Certainly, AEP does monitor chronic wasting disease in order to focus hunting areas' efforts in areas to reduce deer densities and the spread of CWD infection. This year marks the first year the geographic expansion identified a positive case over 100 kilometres west of the known disease population area.

As for the specific number within the voted amounts that is dedicated to these efforts, hon. member, we would have to follow up with you on that query. Certainly, we're working with the province of Saskatchewan on these and other wildlife management issues. Caribou, certainly, is something that we are speaking with the government of Saskatchewan about and, in some cases, this matter of our friends the elk, that we were talking about earlier, that also do not tend to recognize the border. Those are matters that I will be raising now with the recently re-elected government of Saskatchewan.

These are matters that do come up at the table at the Council of Ministers of the Environment. Now that Minister Cox has been reappointed, we will revisit these and other shared matters of concern. I believe the next Council of Ministers of the Environment is in I want to say June.

**Dr. Swann:** Thank you. Again I would encourage you to work with the federal government as this is a national issue that's going to affect our agriculture industry profoundly, I believe, if we don't start getting a handle on it.

With respect to the Ghost reservoir agreement with TransAlta in April 2016 you announced that it had reached an agreement that will allow the government to modify operations at the reservoir for flood mitigation from May to early July, at a price of \$5.5 million compensation. Looking back, the government previously entered into a one-year agreement with TransAlta in May 2015, which was \$2 million. What changed between the initial one-year agreement with TransAlta and the signing of the five-year agreement to warrant the company being paid an additional \$3.5 million in compensation annually?

**Ms Phillips:** Hon. member, I think we will defer to Rick Blackwood, who is head of strategy division and who led the efforts to negotiate the agreement, that is not just for flood mitigation but also drought mitigation.

**Mr. Blackwood:** Thanks for the question. The difference, Dr. Swann, in regard to the first agreement that we had with TransAlta is that the first agreement was solely for the operation of the Ghost reservoir. This agreement is for a collaborative approach for not only the Ghost system but the Kananaskis system, so we can actually use the Kananaskis system to help alleviate future concerns for drought and use the Ghost largely for a flood mitigation reservoir. As a result the changes or the compensation is to help alleviate lost generation costs for TransAlta on both of those systems.

**10:40**

**Dr. Swann:** Does that reflect real costs, or does that include profits for TransAlta?

**Mr. Blackwood:** That's real costs based on even our expertise in operating dams, as Alberta is also a dam operator.

**Dr. Swann:** Thank you.

With respect to grazing leases, according to the latest Surface Rights Board annual report 765 landowners approached the board to apply for compensation after oil and gas producers failed to make lease payments. That figure is up substantially from previous years. What is the source of the compensation funds the Surface Rights Board pays out? Does that just come out of general revenues? Are Crown grazing lease holders also permitted to go to the Surface Rights Board if they have not received compensation from an operator? If yes, how many Crown grazing lease holders approached the board for compensation in 2015?

**Ms Phillips:** Thank you for the question, hon. member. Of course, we are reviewing this whole system given that we have been prevailed upon to do so by the Auditor General and have accepted those recommendations.

I will defer to the chair of the Surface Rights Board, who has joined us just behind here, Gerald Hawranik.

**Mr. Hawranik:** Yes. Thank you. We don't keep specific statistics with respect to Crown grazing leases at the board. We had I believe

764 applications last year under section 36. The source funding is within the grant portion of the budget that we have.

**Dr. Swann:** Okay. Thank you.

How much did the board provide in total compensation to Crown grazing lease holders in 2015? Regarding the compensation paid to the Crown grazing lease holders, how much of that was the province? Has the province recouped from offending operators, or is it realistically hoping to recoup?

**Mr. Hawranik:** We don't deal with recouping the funds for the province itself. That's done by a different department.

**Dr. Swann:** Who is that?

**Mr. Hawranik:** In terms of the number of dollars paid for grazing leases we don't keep those statistics, but we could certainly get back to you on that if you like.

**Ms Phillips:** We will undertake to provide you the level of granularity that you've requested, hon. member.

Thank you.

**Dr. Swann:** Thank you.

With respect to the linear disturbance on public leases there has been lots of controversy over the last few years that some individual large leaseholders are taking home large dollars, up to about \$40 million a year, at least some of which should be going to the public purse. Is that reflected anywhere in your budget, the returns?

**Ms Phillips:** No, hon. member, it is not. It's not in the Environment and Parks budget estimates.

**Dr. Swann:** Which estimates would it be in?

**Ms Phillips:** Well, if we are talking about subsurface rights . . .

**Dr. Swann:** No, surface. Linear disturbance for leaseholders on public lands.

**Ms Phillips:** I believe that those are simply reflected in general revenue, are they not?

**Dr. Swann:** They're in general revenue, not in yours?

**Ms Phillips:** We will undertake to get back to you on that.

**Dr. Swann:** Would you?

The big question, I guess, that many have been asking is why more of that isn't going to the public since it's a public leasehold.

**Ms Phillips:** Well, that was certainly the nugget of the questions being posed by the Auditor General. He reported last July. Certainly, we see other systems prevailing in other places. For example, the MD of Taber has a different situation. So does the government of Saskatchewan, which is very similar to the system undertaken by the MD of Taber. Those are matters that are under review as the province responds to the recommendations of the Auditor General, which we accepted.

The deputy has another point.

**Mr. Corbould:** If I could, just a very quick addition. Based on the Auditor General report, we are defining and communicating the environmental, social, and economic objectives that are expected of grazing leases. In our work to define all of that, we will certainly look at those issues, but they haven't been sorted out yet.

**Dr. Swann:** Thank you.

**The Chair:** Thank you, Deputy Minister.

As previously agreed, we will now move on to Mr. Clark.

**Mr. Clark:** Thank you very much. It's good to see you, Minister, and it's good to see your staff here – thank you very much – many of whom I know. I want to thank you for all of your hard work on many different files.

Minister, I'm going to ask you a question that I'm going to ask all ministers in estimates, which is a little out of left field. As we prepared for this, my diligent staff transcribed all of the data from the budget into a spreadsheet. Will you commit next year to providing us with the budget data in electronic format in Excel or in other similar open-data, accessible format?

**Ms Phillips:** Given that it is Treasury Board and Finance that puts these things together, I will defer to them to answer the question.

**Mr. Clark:** Perfect. I'll ask him that question in a couple of days' time.

I will start with the business plan, page 56, on the 2013 Alberta flooding, noting the forecast exceeded the budget of 2015-16 by 24 per cent and then drops down again in 2016-17. Is that reprofiling money moving forward into this year? If so, is that reflected in an acceleration of projects under way, or if not, can you let us know what the overexpenditure this year and the reduced expenditure in Budget '16-17 reflects, please?

**Ms Phillips:** Hon. member, I believe the reference is to section 12.1.

**Mr. Clark:** No. Actually, I'm in the business plan, page 56, 2013 Alberta flooding, the last line under expense.

**Ms Phillips:** Okay. I'm going to defer to Deputy Minister Corbould on this matter because there has been some reprofiling and so on. I just want to make sure that we get the right answer for you, hon. member.

**Mr. Corbould:** Yeah. Thanks, Minister. That change really reflects the watershed resiliency and restoration and capital grants that go out to communities like High River and others, and as we've continued to work with all those communities over the last two years, plans have adjusted. For instance, High River has, you know, made different adjustments on diversion canals and things like that. What those changes reflect is the need in the coming two years from a capital perspective for grants and construction.

**Mr. Clark:** Okay. Thank you.

I'm now going to flip over to flood hazard mapping, which is, in fact, 12.2 on page 107. I'm just curious about the flows of funds. That seems to be substantially less in '16-17 than in '15-16. Does that represent a certain phase of the project? Are we doing less this year than we did in previous years? Could you just maybe speak briefly to that, please?

**Ms Phillips:** I will defer to a deputy on this matter.

**Mr. Corbould:** Yeah. It's exactly right. It's a reflection of what's required in this fiscal year. We had some success in others, and I think the minister explained earlier all the complete update of where we were on flood mapping. Again, that reflects the need for this coming year.

**Mr. Clark:** Okay. I just want to ask: Minister, what is your role going forward on the Springbank mitigation? I know we've talked in the past about the Environment and Parks department having the

role of a regulator here in this as well, but it appears that you're also a funder in certain areas. As the project, in particular the Springbank off-stream reservoir, goes forward, what is the role of the environment department, and what is your role as minister?

**Ms Phillips:** Our role in Environment and Parks becomes to participate in whatever review process, environmental impact assessments and others, whether that's jointly with the federal government or simply on the part of the provincial government. So that is our role, as a regulator. The funds that are in the budget, as I understand it right now, will then be transferred over to Transportation because they do the building. Once the building is done, they are the project proponent. Then we become the operators, again, out of the operations division of Environment and Parks.

Perhaps the deputy would like to provide a bit more information.

**Mr. Corbould:** I think that summarized it very well. Because we are the regulator, the proponent has to be Transportation. This is the same process that has been followed for years in terms of the Oldman River dam, the Bassano dam, and all those in the past. This is just the appropriate way to build this infrastructure given that we're the regulator. But, in the end, like the minister said, once it's all done, once it has all passed inspection and been built, it will then revert to us to operate.

10:50

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

I'm going to move on to the climate leadership plan, page 113 of the estimates, please. There's an expenditure in this fiscal year of \$235 million, and I also note that there are 79 FTEs. You referred to a range of between 70 and 90, so that's certainly consistent. Obviously, \$235 million is going to do a lot more than just hire 79 people although perhaps that's something we'd all love to be a part of. Not likely, not something that I think anyone would support. I'm just curious: could you speak briefly to what that \$235 million will in fact be used for?

**Ms Phillips:** Sure. Well, yes. Those kind of salaries: not under my watch, hon. member.

First of all, we have the \$45 million for the energy efficiency agency, so that piece will move forward with programming beginning in 2017 as we stand up the Crown agency to deliver those programs. We will be doing some consulting over 2016 here to ensure that we are delivering the right programs and that we've got the right programming in place for the various aspects of the Alberta economy. It's not just individual homeowners like you and me. Certainly, Albertans have a tremendous appetite for ensuring that those programs are in place. It is also programming for small businesses, municipalities, indigenous communities, and others. Certainly, some areas of small businesses are more carbon exposed, if you will, than others, so we will ensure that those are the ones that have specific programming attached to them.

In addition, we have the \$175 million for renewables, bioenergy, innovation and technology, and plan implementation. Those pieces are to ensure that we are getting it right with respect to our partnerships with the private sector on innovation and technology. We want to ensure we're making the right investments in the emissions management corp. and certainly supporting the development of renewable energy, whether that's on the clean tech side or what have you.

**Mr. Clark:** Thank you, Minister. Sorry. I apologize. We have a very short period of time.

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

**Mr. Clark:** I will come back and unpack some of those in my second go-round here.

I'm going to move on to the business plan itself. Key strategy 1.2 uses the term "working with the Alberta Climate Change Office" as if that's sort of an external thing to the ministry although I imagine that that perhaps is just a question of semantics. But what I do really want to talk about here in the brief time remaining is that it is a performance measure under development, and we don't really know. It says, "Measures for protected areas and Alberta's Climate Leadership Plan are under development to further reflect progress toward achieving outcome one."

Now, that's very important. I want to be very, very clear for the record and with the minister and as we've talked that I'm certainly onside with the concept of a climate leadership plan. I'm certainly onside with the concept of a carbon tax. I think it's very important how we implement that. But the lack of a performance measure at this point creates a lack of clarity for us as members and, more importantly, I think, creates questions in the minds of Albertans. So my question for you is: when will these performance measures be set? I assume and certainly hope that that will be before this time next year, as we go into the next budget cycle. If, in fact, that is the case, will you commit to tabling those performance measures in the House? I certainly hope we don't have to wait for the next budget.

**Ms Phillips:** Is the question here, then, just for clarity, hon. member, related to GHG reduction targets?

**Mr. Clark:** Well, what you said here in your business plan is that performance measures for Alberta's climate leadership plan are under development. I'd like to know what those performance measures are, and I'd like them to be sooner than 12 months from now.

**Ms Phillips:** Yeah. Certainly, on this matter of targets, as I indicated earlier, those numbers are in flux, not the least of which is because of the volatility of the Alberta economy right not but also because of modelling, monitoring, measurement. Those pieces are in development right now at the Council of Ministers of the Environment table in conjunction with the federal government. As I indicated, the federal government made some commitments in Paris, as did all countries, on that.

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

We will now be moving on to the private members of the government caucus for a few minutes.

**Mr. Dang:** Thank you, Chair. I'd like to share some of my time with the hon. Member for Calgary-Glenmore as well as the minister if that's okay.

**The Chair:** Okay. Will you be going back and forth?

**Mr. Dang:** Yes.

**The Chair:** Okay. Please carry on.

**Mr. Dang:** Cool. Thank you, Minister, for joining us today. It's really a privilege to be able to ask you these questions in estimates. I just want to get started right away here. Given the ministry's role in sustaining the province's environmental, social, and economic goals, a 0.5 per cent estimated increase in expenses compared to the 2015 budget was actually quite minimal. Could you please detail for us how this marginal increase will actually sustain the minister's priorities and mandate?

**Ms Phillips:** Yeah. Well, you know, certainly, the approach that we took was that we must ensure stability in our investments in air, land, and water, ensuring the highest level of environmental responsibility for Albertans. We do have an ambitious mandate, and I know that we ask a lot of our public servants in Environment and Parks. However, this is essentially a steady-as-she-goes, status quo budget for Environment and Parks.

You know, we've attempted to reprofile some money within the department to reflect the new government's priorities, but at the end of the day we have a fiscal reality that is indisputable in terms of a 90 per cent drop in our resource royalty revenue. Stable funding is what we've delivered. We have not been able to fund many of the things that we maybe want to do with respect to our environmental conservation or other efforts. The fact is, though, that with what we are doing right now, we will not make drastic cuts. It's certainly not within the public interest, public safety, and public health.

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

Moving into the capital investment portions of Budget 2016, the estimated capital investment outlined in the budget is 26.6 per cent higher compared to Budget 2015. Given those economic circumstances you were just speaking about, these increased capital investments could contribute to economic diversification and the creation of the needed value-added jobs we've been talking about. Could you please explain for us where this additional funding is being allocated?

**Ms Phillips:** Well, for the specifics I will defer to my deputy on, certainly, some of the parks investments. You know, I'm very proud to report that we are going to be making capital investments in Environment and Parks and specifically in the parks infrastructure. These are matters that have lagged behind. Ensuring that the right infrastructure was in place so that families could have access to those high-quality outdoor experiences was not necessarily prioritized in years past. This government has made a commitment to those things. I'm very pleased that the capital plan proposed by a former Bank of Canada governor, David Dodge, ended up delivering some of that infrastructure in Environment and Parks. It's very important to us, certainly, around emergency response and those kinds of things that we have funded, that are really pressing needs for public safety.

I will defer to my deputy to provide a bit more detail on the matter.

**Mr. Corbould:** Thanks, Minister. Some of the key investments on the capital side are to deliver on the lower Athabasca regional plan and the South Saskatchewan regional plan implementation. A lot of the capital projects in parks are part of that regional planning effort, and there are several locations.

There are also just a large number of locations that have been identified for new recreational infrastructure development such as the ones the minister has mentioned in some of the specific parks like Gregoire Lake. So it's really catching up on a lot of infrastructure in our parks that is in dire need of reinvestment.

**Mr. Dang:** Thank you, Deputy Minister.

Minister, you mentioned some of this increased funding. I'm looking at page 108 of the government estimates, line 12.4, community stabilization. This indicates that community stabilization will be allocated over \$105 million in capital investment funding, an increase of over \$28 million from Budget 2015, double what 2015 actually forecast as well. Could you please explain the purpose of this actually quite significant increase in funding and speak maybe to the benefits Albertans could receive from these funds?

**Ms Phillips:** Yes, absolutely, hon. member. I will defer to the deputy to speak on these matters.

**11:00**

**Mr. Corbould:** Of the two big issues that result in that change, one is the funding support required for the Springbank off-stream storage; that's where the Springbank goes. Again, like the minister mentioned, that gets transferred to Transportation. The second was a reduction in funding or reprofiling for the Highwood project because the town of High River made a change to their mitigation strategy in the town, which we supported.

**Mr. Dang:** Thank you.

Back a little bit on that page, page 108, line 7.5 of estimates 2016 indicates a 64 per cent increase, or approximately a \$12 million increase, in capital investment funding for parks infrastructure management. Why do we have to allocate this level of funding to parks infrastructure at this time?

**Ms Phillips:** Deputy Minister, please.

**Mr. Corbould:** It kind of goes back to what I said before. It's part of the capital maintenance renewal piece. In particular, we're implementing what was planned in the South Saskatchewan and lower Athabasca regional plans in terms of all the park infrastructure that needs to be upgraded as part of that land use.

**Mr. Dang:** Thank you.

I understand that given Alberta's current economic challenges, Alberta parks can certainly have a role in increasing tourism dollars and creating jobs in those sectors. My question for the minister: does this increase in funding to parks infrastructure management actually support this goal in any way?

**Ms Phillips:** Well, there are a couple of things with respect to responding to the economic downturn. First of all, we know that these are construction jobs that can put people to work right away. It will be a very tough summer for many families, so we know that ensuring that that capital investment is there will mean that we can deploy those things fairly quickly in campgrounds and elsewhere. Additionally, we know that with the low Canadian dollar we will have more visitors, very likely, in Alberta; additionally, many Alberta families will be staying home. So it's crucial that we make sure that we've got the right infrastructure to support folks keeping their dollars local. You know, really, a key part of diversification is ensuring that we are attracting investment from elsewhere and also making sure that money is kept in Alberta.

A couple of things just on the parks infrastructure piece: the William Watson Lodge will begin to receive \$450,000 annually from the Kananaskis golf course revenues beginning in 2017 through to 2021, and Alberta Infrastructure is receiving \$18.5 million in one-time funding under Budget 2016 for the redevelopment of Alberta Parks' own Kananaskis Emergency Services Centre, which provides emergency services and the kind of really tough response in remote areas for the entire Kananaskis region. You know, as we invest in making sure that folks can have access to our parks, we need to make sure that other services are there as well.

Finally, our province is ensuring that we've got the right inclusive approach to enjoying our natural areas, that those opportunities are available to all Albertans of all backgrounds. For example, there are programs now ensuring that Syrian refugees are going out and enjoying our parks and experiencing many of those things that all of us Albertans often take for granted.

**Mr. Dang:** Thank you, Minister. I really appreciate hearing that as I do believe our tourism industry in Alberta is something that we have a great opportunity with.

I want to shift gears a little bit here and ask you a bit about AEMERA. I understand that through the budget the ministry is bringing environmental monitoring back into the department and eliminating the AEMERA program. Minister, how will the department be able to ensure the actual independence of the scientific data that's going to come back?

**Ms Phillips:** First of all, we are keeping the best elements of AEMERA that supported the independent scientific monitoring, including the Science Advisory Panel and the Traditional Ecological Knowledge Panel, which were established under the original act. What we're doing is improving upon those. The Science Advisory Panel and the TEK Panel will report directly to Albertans, and they will work with the chief scientist. AEMERA's chief scientist, Dr. Fred Wrona, has agreed to stay on and help us with this transition, ensuring that (a) the day-to-day functions are kept seamless and that (b) he receives that advice from the Science Advisory Panel with respect to gaps or resources or areas of concern with respect to monitoring. This will enable us to move quite a bit quicker to respond to those emerging issues. Those are the elements of independence that will be retained.

What we are moving away from is an additional board and executive and so on, that sort of complicated matters. Certainly, monitoring is a core government business on the level of public health and public safety and ought to be treated with that same level of seriousness by government.

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

I think my colleague Ms Kazim has a couple of questions she's going to follow up on as well.

**Ms Kazim:** Thank you very much, Minister and the entire department, for answering our questions and for your time. I would like to begin by asking questions in regard to the floods that happened in 2013. As we know, in 2013 sudden Alberta floods were a difficult time for all Albertans. Families and communities certainly showed their community-mindedness as Albertans pulled together to assist those affected by the floods. Three years later there are still Albertans who have not recovered, and this is reflected in the budget given that over \$93 million has been allocated in capital grants, as per line 12, on page 107 of government estimates 2016-17. Can the minister speak to how this funding will support those still affected by the floods from an Environment and Parks perspective?

**Ms Phillips:** In large part, many of our responses to the 2013 flood and other flood events across the province are through the Alberta community resilience grants. The latest round went to 15 municipalities and one First Nation and totalled more than \$51 million. Those grants allow our local government partners to move forward on projects that they've identified as high priorities, so it's very much a collaborative effort between us and the municipalities. We make sure that the investments we make in community mitigation projects fit within the broader mitigation strategy. We make sure that they provide effective protection without increasing the risk to downstream populations.

This is a very high-demand program. Not all applications every year are approved. However, communities that do not receive funding are welcome to reapply in the next round of approvals and so on and so on. That is a major part of those investments. You know, those investments have oftentimes a lot to do with wastewater treatment plants, ensuring that they are not overwhelmed by

large flood events, that we know from climate change will become both more frequent and more severe. So water intake, relocating water wells, doing capital improvements for stormwater management, for example culvert flood mitigation: those are the kinds of on-the-ground projects that the ACRP funds.

I will defer to the deputy for some other pieces on flood recovery and that whole basket of funds, I guess, in line 12.

**Mr. Corbould:** Thank you, Minister. I would just add that part of the recovery concept is that everything is better than it was in 2013. So it's not just about repairing what was broken or damaged in 2013; it's about repairing and becoming more resilient for the future.

The other thing I would like to add is that it really is part of adaptation in action in that with climate change you see increased extreme events, so a lot of the flood recovery is really part of the climate change adaptation in action.

**Ms Phillips:** Just to add to that, hon. member, the southern Alberta floods caused \$1.8 billion in insured losses, and the total economic loss was estimated at \$5 billion to \$6 billion. This was a significant event, and certainly, you know, experts predict that these events will become more frequent and more severe as a result of a change in climate.

**11:10**

**Ms Kazim:** Okay. Great. Thank you very much for all the details. This is excellent.

I have a supplementary question in regard to the floods again. I certainly believe that everyone in this room has no issues with the allocation of these funds given their usefulness in getting things back to where they were. Minister, I would like some clarification. Government estimates of 2016-2017 indicate a decrease of approximately \$16 million in operating costs, as per line 12 on page 107, compared to the 2015-16 budget. Can you please speak to this decrease?

**Ms Phillips:** Yes. Thank you, hon. member. Certainly, this is due to some projects being completed in response to 2013. Of course, you know, we are now into year 3 of the response, so many of those efforts are finished. However, this budget really does ensure that we are making the right investments at the community level and that that work continues. It is not an area where we are seeing drastic cuts, and that is a good thing, obviously, for our drinking water supplies, our ability to respond to catastrophic events.

The facts are very clear that we must invest in adaptation to climate change. Water damage has surpassed fire as the number one cause of home insurance loss in Canada. The number of natural catastrophes has risen 250 per cent since the 1970s. There are indisputable facts with respect to climate change, so drastic cuts to the budget for Environment and Parks would sow the seeds for being very ill prepared for a future that is fast upon us because climate change is real.

**Ms Kazim:** Thank you very much for the update, Minister.

I have one more supplemental on this topic. Given that the protection of public health and safety from environmental conditions is a central pillar of the ministry and given that Alberta has been suffering from increased fires and droughts, can you please indicate what type of funding has been allocated to any potential catastrophic events that may occur?

**Ms Phillips:** I will defer to the deputy minister on this matter.

**Mr. Corbould:** Yeah. I would just say that it's really more of a Municipal Affairs question because they're responsible for the

Alberta Emergency Management Agency, and they do the disaster recovery funding and all things finance when it comes to disasters.

**Ms Kazim:** Okay. Also, I have heard from countless constituents that they are onboard with Alberta's climate leadership plan. In recent years we have experienced floods, droughts, fires, and variances in this province's air and water quality due to increased pollution. These are facts, and the fact of the matter is that the effects of climate change contribute to the frequency of these events occurring. The science is explaining this, and as I speak with my constituents and gather feedback from Albertans, they're onboard as well. This is hurting Albertans and the economy. Given that Albertans want and deserve a green and prosperous province, my question to the minister is: how will this budget and specifically the funds allocated under the climate leadership plan lead this province to a greener and more sustainable province?

**Ms Phillips:** Well, thank you, hon. member, for the question. You know, Alberta has now been recognized as a climate leader. We are among the most progressive energy-producing jurisdictions in the world, and our climate leadership plan has been supported by industry. Of course, the oil sands sector, who stood with us on November 22, on announcement day, and many, many others, including the Cement Association of Canada and the Mining Association of Canada, have indicated their strong support for our efforts. We know that these efforts will increase our ability to access markets.

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

Hon. members, for the time remaining, we will follow the same rotation that we just went through. However, the speaking times are reduced to five minutes as set out in Standing Order 59.02(1)(c). So a maximum of five minutes. If you want to go back and forth, yes, it would be 10 minutes, but you will have a maximum of five minutes of speaking time, so just be aware of that.

**Mr. Loewen:** I'll turn my time over to the member to the right here.

**Mr. MacIntyre:** Thank you. I'm curious regarding the \$2.2 billion from page 6 of the fiscal plan. As the carbon tax rolls out and municipalities are facing significant increased costs, how much of this \$2.2 billion is going to go toward offsetting the increased costs to municipalities?

**Ms Phillips:** We will be working with municipalities on ensuring that we are making the right investments in the right place and ensuring that we are achieving the right emissions reductions from those investments and ensuring that municipalities, school boards, and, you know, social housing associations and others have access to the right programming.

**Mr. MacIntyre:** Okay. Is the \$2.2 billion going to be linked to helping the municipality only for a green initiative, or is it going to be open to the municipality to use that to offset the impact of the carbon tax?

**Ms Phillips:** Well, certainly, when one prices emissions, any increased costs come from one's emissions. So what we will undertake to do is consult with municipalities, the charitable sector, school boards, and others to ensure that we have the right programming and investments in place to ensure that we are both reducing our emissions and mitigating any adverse cost impacts because we are pricing emissions.

**Mr. MacIntyre:** Is that a yes? They are going to be linked to a green initiative?

**Ms Phillips:** Well, we're certainly not going to be providing funding for just anything. We have indicated that the carbon levy will be reinvested back into the economy, staying right here in Alberta.

**Mr. MacIntyre:** But what I'm looking for, Minister, if I may, because time is limited, is a yes or no answer as to whether any of the \$2.2 billion can be used by a municipality for offsetting impact without it being necessarily linked to a green initiative.

**Ms Phillips:** They are one and the same. Impacts are as a result of a price on carbon, so if one is investing in initiatives to reduce one's carbon use, one is therefore reducing one's emissions costs.

**Mr. MacIntyre:** I see. That is actually a no.

Next, in government estimates on page 107, line 10.2, you have a green infrastructure investment there. Now, earlier, in answer to a question from my hon. colleague, you mentioned that there was a \$5 million expense for planning, and I'm just a little confused here. This green infrastructure investment that I see at line 10.2: is that the program that you announced at NAIT, the PV program for municipalities?

**Ms Phillips:** Not at all. The municipal solar initiative being delivered through the Municipal Climate Change Action Centre in conjunction with the Alberta Urban Municipalities Association and the AAMDC is an initiative out of the climate change and emissions management fund from the 2015-16 allocation.

**Mr. MacIntyre:** Okay. So this \$5 million that we see at 10.2 is for planning?

**Ms Phillips:** It is for planning for green infrastructure investments.

**Mr. MacIntyre:** The revenue, then, for the \$5 million for the program that you announced at NAIT is coming from CCEMC?

**Ms Phillips:** No. From the fund, not the corp. They're distinct.

**Mr. MacIntyre:** Okay. From the fund. Is that shown in this estimate, that revenue coming in and then going back out again?

**Ms Phillips:** No. It is a disbursement from the fund to the Municipal Climate Change Action Centre, and it was in 2015-16. It would have been part of the reflection of the climate change and emissions management fund in last year's budget papers.

**Mr. MacIntyre:** Okay. Next, in government estimates, page 115, under the energy efficiency grants we see that the department had forecasted \$7.4 million for energy efficiency grants, and then that \$7.4 million goes away. What happened to that program?

**11:20**

**Ms Phillips:** Sure. Well, that was delivered through the Climate Change and Emissions Management Corporation, which is, of course, a delegated corporation of the Crown. Now that we have made the commitments to the \$45 million in energy efficiency and we will be standing up a new agency in order to deliver those programs, as we outlined in the Speech from the Throne, many of those undertakings will be captured within that.

In addition, as we focus the mandate of the Climate Change and Emissions Management Corporation, we will ensure that if there are any efficiency investments to be done there, for example under industrial efficiency, those are carefully deliberated upon in consultation with our industry partners.



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

This \$7.4 million program that was previous: did it succeed or fail?

**Ms Phillips:** Well, certainly, the Climate Change and Emissions Management Corporation has been able to deliver many very interesting programs . . .

**Mr. MacIntyre:** No. This particular one here for energy efficiency: was there a review of its effectiveness? Did it fail? Did it succeed?

**Ms Phillips:** Oh, I think there are many examples of successes within the Climate Change and Emissions Management Corp. in items related to efficiency, and certainly we look forward to building upon them.

**Mr. MacIntyre:** Okay. Has there been any kind of a postmortem on this particular program now that it's not in effect anymore?

**Ms Phillips:** Well, I mean, certainly, the climate leadership plan, as you know, with the Leach report undertook an appraisal of existing innovation in technology and other industrial efficiency efforts on the part of the government of Alberta and recommended a number of ways in which we can focus those efforts and ensure they are effective. We are working with the emissions management corporation in order to do that and with our partners in the federal government, and Economic Development and Trade has a few interests in these matters. As we move forward in designing our efficiency programs, whether they're industrial, commercial, residential, or in the nonprofit sector, we will ensure we are working with our partners, that the programs fit their needs and are actually delivering both emissions reductions and over time, certainly, reduced energy costs for all involved.

**Mr. MacIntyre:** With this particular program, then, I'm going to assume you didn't or that your department has not yet done an actual postmortem on it to determine lessons learned, failures, successes. I would encourage you to do a postmortem. I ask you: are you going to do one on this \$7.4 million program? We're now rolling out an even larger program, and without actually investigating lessons learned, we could actually be making the same mistakes again.

**Ms Phillips:** Well, hon. member, it's quite difficult to do a postmortem on a body that is not dead.

**Mr. MacIntyre:** It's on a program, Minister, not on a body.

**Ms Phillips:** As we move forward, we are adding to our efforts within the corporation and also within the efficiency agency. We are taking this year, 2016, to plan and to build on the successes. Certainly, you know, it would be a rather premature autopsy at this point.

**Mr. MacIntyre:** Mr. Chair, I have an amendment that I would like to introduce if I may, please.

**The Chair:** Sure.

**Mr. MacIntyre:** Do you want me to read it out or give it to you first?

**The Chair:** Read it out, please.

**Mr. MacIntyre:** Thank you very much. The amendment reads:

Mr. MacIntyre to move that the 2016-17 main estimates of the Ministry of Environment and Parks be reduced as follows:

(a) for the minister's office under reference 1.1 at page 106 by \$34,000

(b) for the deputy minister's office under reference 1.2 at page 106 by \$31,000

(c) for communications under reference 1.3 at page 106 by \$148,000

(d) for legal services under reference 1.5 at page 106 by \$16,000

(e) for corporate services under reference 1.6 at page 106 by \$1,470,000

so that the amount to be voted at page 105 for expense is now \$513,910,000.

Thank you very much, Mr. Chair.

**The Chair:** Thank you very much. That's time.

We will now move on to Dr. Starke.

**Dr. Starke:** Thank you, Chair. If possible, I'd like to go back and forth with the minister.

Minister, I have to confess I'm not even entirely sure exactly which line item in your budget on page 106 this would refer to, but one concern I've had expressed to me by a number of rural municipal councillors is a delay in environmental approvals. You know, these folks want to go ahead with roads and bridges. Just as the government is taking advantage of the countercyclical nature of lower prices, the counties are seeing that, too. The roads and bridges are in some cases 30, 40 per cent cheaper to build, but the problem they're running into is a delay in getting approvals. In some cases they're being told that approvals won't be forthcoming for 12 to 18 months. As this relates to the budget, I guess I'm wondering: is this a case that there just aren't enough resources within the department? Could you maybe comment on why those delays are there and what you're planning on doing about them?

**Ms Phillips:** Yeah. Certainly, I'm nodding, hon. member, because I've heard that from municipalities as well, both at AAMDC and AUMA, so I'm going to allow the deputy to report on what we are doing just this month to fix the problem.

**Dr. Starke:** All right.

**Mr. Corbould:** Thank you, Minister. Firstly, the minister has directed us to tackle this problem and reduce the number of approvals-in-waiting that are in the queue. What we're doing is that we're starting with some water approvals this month. We've actually started what we're calling an approval blitz for the month of May. We're treating it really like an operation, and we've invested some staff effort across the department. We've taken experts who understand this stuff from across the department, reallocated them temporarily for this approvals blitz that we can go through in May, and then we've got the environmental response unit sort of running that like an operation. We're essentially ramping up our efforts while maintaining full accountability for the environmental requirements that need to go into those approvals, and we hope to do this first with water and then proceed with other approvals based on that success.

**Dr. Starke:** Chair and Minister, I'm really glad to hear that. I would encourage that because we have a construction season that, you know, really in many ways is already under way, and I know that these municipalities are very eager to move forward as quickly as possible with these projects while the prices are relatively competitive. Thanks for that. I have every confidence that the deputy minister will take this forward with military precision.

My second question relates to page 6 of the fiscal plan. It's something that's a little bit puzzling to me. I notice under the breakdown at the bottom of page 6 on the climate leadership plan, on sort of the ins and the outs, that one of the adjustments that's

been made has been an adjustment for the small-business tax cut. I guess I'm really puzzled. The small-business tax cut, of course, was something where we basically had that rarest of all opportunities, where everybody kind of agreed that it should be done, but I'm puzzled as to why it is charged against the revenue for the climate leadership plan. It's a taxation measure. It's a corporate taxation measure. If other corporate taxation measures aren't lumped in with the climate leadership plan, why is this one?

**Ms Phillips:** Well, you know, it's a revenue measure, as is the carbon levy. We know first of all that Alberta did not have one of the lower – and now it will – small-business rates, and we know that small businesses will have some extra costs, which we will be offsetting in two ways. One is a reduction in their rate of taxation, and another is through the investments that we make in energy efficiency and so on to ensure that folks have access to programming that will reduce their emissions.

**Dr. Starke:** Minister, you know, I appreciate that, and I understand that. I'm glad that you're acknowledging that those are some of the challenges small businesses face. There's maybe no clear indication, but I'm just really puzzled to see why it's specifically lumped in with the climate leadership plan.

But you know what? Let's leave that and move on to a different area. On page 117 of the budgetary estimates we deal with Energy Efficiency Alberta, which is a new entity with a budget of some \$45 million in initiatives, and those are explained elsewhere within the fiscal plan. I guess my first question is on the breakdown on that \$45 million. How much of it is going towards administration, and how much of it will be made available for specific initiatives in terms of loans and grants and other incentives for various bodies to go green?

11:30

**Ms Phillips:** Certainly, hon. member, and thank you for the question. Around the efficiency efforts the first piece is to stand up the agency and to ensure that at the same time as we are doing that, we are undertaking a robust consultation, which we will be undertaking very soon, and moving out to discuss with various stakeholders on the right kinds of programming to offer not only to individual homeowners like you and I but also to small businesses, to municipalities, school boards, et cetera, et cetera. You know, the first piece of business is to have a budgetary allocation and ensure that the programs are delivering the greatest emissions reductions within that funding envelope.

As we said in the Speech from the Throne, it is a new, lean agency, and this is, we believe, the right and most accountable way to deliver these programs. There are various ways. As I've said in the past, there are advantages to being late to the party on energy efficiency in Alberta in that we have a number of different models in the ways that we can deliver these things. We know that the efficiency agency will also take advantage of partnerships with utilities and others to deliver the programs. What that will look like is a matter for our stakeholder consultation and our careful conversations with industry, in particular the utilities, over the course of 2016.

**Dr. Starke:** Okay. Thank you for that.

I guess one of the ones that I was just going to briefly ask is: was there ever consideration of administering and authorizing the grants directly from the CCEMF? Was that one of the options that was looked at, or has it continued to be looked at?

**Ms Phillips:** Within the emissions management corp, really, you know, it's important to focus their mandate on innovation and

technology, on taking that carbon out of the barrel, on ensuring that we've got the right pieces in place for small and medium-sized enterprises to commercialize ideas and so on. That's really its role. An efficiency agency: its role is to interact with pretty much every aspect of the Alberta economy.

**Dr. Starke:** Okay. Thank you, Minister. That's, clearly, you know, two different focuses, and that's fine.

I want to just loop back a little bit to parks. As you know, Minister, this is an area of specific interest of mine. Lest we be accused of only being critical, I want to commend you on the funding for Kananaskis emergency services. That's a really positive thing. They do outstanding work. I had the opportunity to interact with them again during the rural health review, and considering the amount of real estate they cover, they're an amazing group of individuals there, and having a new operations centre will be helpful.

I also want to commend you on the improvements to William Watson Lodge. I think I've spoken with you previously that I think that that is an absolute gem, that Albertans should be very, very proud of.

I do want to ask a question with regard to – I also, by the way, am in favour of the increase to capital funding for parks improvement. I think that's very positive, and I would agree that it will hopefully allow us to entice more Albertans to visit their wonderful provincial parks.

I do have to ask – I've asked this before, and I'd appreciate an update – and that is: what's the progress on the designation of Writing-on-Stone provincial park as a UNESCO world heritage site? Has there been any forward progress made on that? If so, maybe Mr. Donelon could reply.

**Ms Phillips:** There has been forward progress, and there have been a number of sort of new archaeological studies done as well. I think that we still have some conversations to have in the area as we move forward with this. Certainly, it's the expectation that we'll have sort of landed this matter by summer or fall, and I think that's probably all the update there is. It remains a priority, but there have been some new archaeological finds that have resulted in something of a delay, because we want to make sure that we've got the right inventory with the United Nations' designating authority.

**Dr. Starke:** Okay. I guess, further to that, I know that one of the hurdles that was yet to be addressed was some concern by local landowners. I'm just wondering if there have been additional discussions with those landowners, or have we made progress in that area?

**Ms Phillips:** There have been discussions with the county of Warner, including one of the county representatives, who is also a landowner. My last conversation, I believe, was in late fall, early winter, and the parks department continues to work with them out of the south regional office.

**Dr. Starke:** Okay. Minister, I want to thank you for that effort, and I want to certainly encourage you. I think that, as I mentioned during a previous debate, on Mr. Dang's private member's bill, you know, we have the highest number of UNESCO world heritage sites, and it would be really nice to add another one to the total.

**The Chair:** Thank you, hon. member.

We will move on to Mr. Clark.

**Mr. Clark:** Thank you, Mr. Chair. Madam Minister, I'm just going to go back to the last question I asked on the performance measures.

When those performance measures for Alberta's climate leadership plan are developed, will you table them?

**Ms Phillips:** Yes. They'll be contained within the business plan, or as we move forward with, for example, certainly, emissions reduction targets and the work of the federal government, we will be announcing those publicly at that time.

**Mr. Clark:** Will that happen before the next budget cycle?

**Ms Phillips:** You know, hon. member, it's tough to answer that question. I suppose my answer will have to be necessarily unsatisfactory to you given the amount of work that is now being undertaken at the national level with respect to some of the new commitments that were made at Paris.

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

I'm going to move on, then, to page 3 of the fiscal plan, the very, very first page of the budget. In reference to the climate leadership plan it says, "the Plan will improve access to markets for Alberta's energy industry." How will that happen specifically? How do you know and how will you measure success?

**Ms Phillips:** You know, I think one of the ways that we know is the tone and tenor of the conversations that we are already having. For example, when I was in Paris, I met with one of the White House environmental representatives. Immediately that tone was changed, whereas previously, not four, six weeks, eight weeks previously, with the rejection of Keystone XL there were some statements made by President Obama. After we announced our climate leadership plan, there was a marked difference in the receptiveness to what Alberta is taking responsibility for in how we are producing our energy resources.

In addition, we also know this from the fact that we have gone from a situation where, you know, President Obama rejected Keystone XL, in part labelling Alberta's resources as dirty oil, to a point where, eight weeks ago or so, President Obama stood with Prime Minister Justin Trudeau and carbon copied our methane reduction strategy.

See what I did there?

**Mr. Clark:** That was very good.

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

But, you know, we have gone to a situation where our trading partners are recognizing our work and are adopting that work for themselves, ensuring that we don't have any distortions with respect to competing jurisdictions. Those are just two examples, hon. member.

**Mr. Clark:** Okay. Thank you.

I want to talk now about the impact of the climate leadership plan – the good, the bad, the intended, the unintended – and ask again that "how do we know?" question. To make sure the public has clarity around those impacts, I'd ask the government if you will retain an independent expert consultant such as, for example, London Economics, Frontier Economics, Brattle Group, EDC Associates, Navius Research, or other similar ones or perhaps even ask the ISO to prepare a comprehensive annual evaluation of the fiscal and economic impacts of the measures in the climate leadership plan, including an evaluation of economic impact by sector – oil and gas, electricity, et cetera – impacts on GDP, employment, oil and gas production, oil exports, energy investment, household income, consumer spending, corporate profits, retail prices for things like gasoline, natural gas, electricity

prices faced by consumers. Again, that's a big question. What I'm really asking is for your department to really prepare and study in great detail the impacts of this plan and then consider pivoting as you go and then be very transparent with Albertans as that happens.

**Ms Phillips:** Well, certainly, on some of the impacts that have been identified in other jurisdictions: you know, this matter of reporting on that kind of data already takes place within Statistics Canada. Certainly, what we've seen in analyses of the impact of carbon pricing in British Columbia, which is a different kind of economy than ours, is that overall the economic impacts have been positive. They come from a different place with respect to the carbon intensity of their economy and the extent to which their gross domestic product is trade exposed. It's quite a bit lower than ours.

With respect to emissions and production and so on many of the ways that we will already know that is through the development of the performance standards, which are sector specific in that way for sectors that are energy intensive and trade exposed, for example, our various petrochemical undertakings, cement manufacturing, and fertilizers in addition to, of course, conventional oil and gas – some is exempt until 2023 – and, of course, the oil sands. We will already know many of those things through the development and the ongoing review of those performance standards. Certainly, you know, concerning the overall performance of the economy, that information is already reported upon through Treasury Board and Finance.

**11:40**

**Mr. Clark:** Okay. Thank you. Again, I think it's going to be very important that we're transparent about those things.

I'm going to move on to questions about how the levies per fuel type were derived. How did you arrive at the assumption of 6.73 cents a litre and \$1.517 per gigajoule for natural gas? I'm just curious about how that calculation was arrived at.

**Ms Phillips:** Yeah. I will defer to Mike Fernandez because that's more of a technical question based on, to be clear, 4.49 cents in 2017 and 6.73 in 2018 in the case of gasoline.

**Mr. Fernandez:** It's a mathematical formula that takes the price per tonne, \$20 in January '17, \$30 in January '18, against the known amount of carbon in those fuel types. It's just a mathematical formula that we can derive and show that . . .

**Mr. Clark:** Okay. Will that formula be tabled? I mean, is that something that you can share with the House?

**Ms Phillips:** I honestly don't see why not. It's something that any academic can derive for themselves even by just looking through Environment Canada.

**Mr. Clark:** I have some fairly nerdy friends who've tried to do it, and they're, not surprisingly, quite keen on actually knowing specifically, so if it's possible to see that table, that would be tremendously helpful.

**Ms Phillips:** Sure. I'm sure that Dr. Leach can probably respond to you on Twitter sort of in real time.

**Mr. Clark:** Absolutely. That's right. Exactly.

I'm going to ask now about the coal transformation. Do you have an estimate of the capital required for that switch from 60 per cent coal to renewable and other power sources? Do you have any sense of what that might be?

**Ms Phillips:** These matters are being handled through the Department of Energy, and the actual working with the affected communities is being led by Minister Bilous in Economic Development and Trade.

**Mr. Clark:** All right. I'm curious if there's any provision or any consideration being given to incentivize natural gas as a bridge fuel between coal and renewables.

**Ms Phillips:** Well, you know, as it stands right now with the Leach recommendations, the recommendations are that two-thirds of coal would be replaced with renewables, leaving a third with natural gas. So this would result in an approximately 70/30 mix for Alberta's overall grid, 70 per cent of which would be natural gas. Given its current low cost and so on there's no reason to believe at this point that that would not proceed. That would put us in the middle of the pack relative to American jurisdictions in terms of the mix of renewables and, in fact, a little lower than sort of the middle of the pack.

**Mr. Clark:** Okay. I just want to ask, then, in that vein: are you firmly committed to the 30 per cent target for renewables, or if facts dictate otherwise, would you consider revising the target to 20 to 25 per cent to keep costs under control? There have been some studies that show that the cost to get from 20 to 30 is quite substantial, and the resulting reduction in carbon is not all that substantial, between 20 and 30 per cent. You may be aware of some of those studies. I'm just curious if you're flexible on the 30 per cent number or if that's absolutely set in stone.

**Ms Phillips:** Those matters are being sort of actively reviewed and considered right now by the Alberta Electric System Operator. Of course, they are releasing today their stakeholder engagement report. Of course, they report to the Minister of Energy, so that is being handled over in Energy, and AESO is currently designing the renewables phase-in piece of that. We'll have more to say on that as that project comes to an end.

**Mr. Clark:** Okay. I've got 30 seconds. I'll ask: do you believe the \$35 per megawatt hour REC cap will be sufficient to incent the renewable development to 30 percent? Is there a risk that we have a no-taker situation which would require that \$35 cap to go up?

**Ms Phillips:** Great question. Again, those are matters being actively examined by the AESO right now in terms of how they structure those REC procurement undertakings.

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

We'll now move on to the private members of the government caucus. Mr. Dang.

**Mr. Dang:** Thank you, Chair. I would like to do the same thing again, actually, go back and forth with the minister along with my colleague Ms Kazim there.

**The Chair:** Yeah. Go ahead.

**Mr. Dang:** Getting right into it, I'm actually looking at page 51 of the ministry business plan, under key strategy 1.5. I was actually very pleased to see that the ministry specifically outlined its commitment to participate in the government's programs and policy review of ways to implement the United Nations declaration on the rights of indigenous peoples objectives and principles, which might be one of my favourite acronyms, UNDRIP.

Minister, collaboration among all ministries is needed to correct these past mistakes. Given the ministry's role regarding land, water,

wildlife, and air policy could you please speak to how it has engaged with indigenous peoples, other ministries, and other stakeholders as well?

**Ms Phillips:** Yes, absolutely. I think what I may do here, hon. member, is actually defer to both deputies because Deputy Werry recently arrived in the climate office from Environment and Parks and undertook our first sort of efforts with respect to UNDRIP, which have now been handed over to Deputy Corbould. Certainly, we are ensuring that investment in indigenous communities is part of our work in the climate leadership plan.

What I will say is that there are a number of ways in which my department must do things in a new way if we are to fulfill the spirit of the United Nations declaration on the rights of indigenous peoples. One of the first ways was that there was a review commissioned of the lower Athabasca regional plan, and many First Nations took issue with some aspects of it. So when I received that plan, what I did was I went directly to those communities, took it to them and asked for their thoughts on how we might respond as a government, rather than in the first instance taking it to them and saying: okay, now I am going to do this. I really wanted to make sure that that nation-to-nation relationship was respectful and that it was led, in the first instance, by the people who live with those air, land, and water policies every day.

So, Deputy.

**The Chair:** Sure. Go ahead.

**Mr. Werry:** Thank you, Minister. First of all, it's really important to recognize with the UN declaration that the rights holder is the individual First Nation. So we started a process of changing our language about the way in which we work with those folks. In the past there have been sort of words we didn't use. We were prepared to use words like comanagement when it comes to provincial parks. We also were prepared to work with individual First Nations on matters of wildlife management.

That was kind of the beginning, and then I got this other job. So I'm going to turn it back to Mr. Corbould.

**Mr. Corbould:** I guess I would answer by saying that there is not one part of our business in the department where we don't work with indigenous peoples to understand what they need and what their view is. I'm just looking through my tabs here, including some examples of AEMERA, for example. When we made the decision to do the transition of AEMERA, some of the first people we consulted with was the indigenous technical knowledge panel: what is your view on this, and are you happy with this change? They were very pleased with the change because they get more of a direct relationship with the minister instead of working for the scientists and the CEO and a board and those kinds of things.

I guess the other thing I would comment on is that we have what's called the IRMS, or the integrated resource management system, secretariat that is set up to ensure that Indigenous Relations, Energy, Environment and Parks, Ag and Forestry are all working together on any issue, and that's where a lot of these things come up. So there is just not a place where we don't do this in the department.

**Mr. Dang:** Thank you very much. I have one more question of my own before I'll kick it over to my colleague there. Last year, Minister, as you said, Red Deer was on track to have the worst air quality in Alberta, and then last week you announced some significant air measures to address these issues. Could you tell me when Albertans and specifically those people in Red Deer will see

results, and how these measures are actually reflected in Budget 2016?

11:50

**Ms Phillips:** Well, yes. Thank you for the question, hon. member. Certainly, the air quality issues in central Alberta, I think, were very accurately described by our departmental head of air monitoring as not unlike high blood pressure. It is an issue, but it is not something that requires immediate hospitalization. It does, however, require immediate action in order to ensure that it does not get worse.

That was why we put together sort of this multilayered approach that did require some budgetary change. The new air monitoring station in Red Deer: \$560,000 will be provided to refine monitoring in the area. It will allow us to provide more detailed particulate matter monitoring, and that will give us a sense of more precise identification of the pollution sources because, certainly, we have a number of different sources in that area. In addition, we provided \$250,000 to the Parkland airshed management zone to strengthen the efforts to identify the different sources.

We are adapting the approval process to reflect new policy and regulatory requirements for stressed air zones, and those approvals that come up for renewal will ensure that there are appropriate and up-to-date emission control technologies in place. Certainly, as these things move along, the best available technology becomes more economically achievable, so we are ensuring that through the approvals process we are requiring what's the best in class in those areas.

**Mr. Dang:** Thank you so much, Minister.

I will make one more comment. I think that we should endeavour to have acronyms that are as interesting as possible as per the United Nations.

I will kick it over at this point to my hon. colleague Ms Kazim.

**Ms Kazim:** Thank you. I have a question in regard to public engagement when it comes to policy decisions and allocation of public finances. Given that the climate leadership program required consultation from various sectors and stakeholders can you speak to how Budget 2016 supports our government's commitment of consulting with Albertans?

**Ms Phillips:** Certainly. I mean, the climate leadership plan is very well consulted on. Since we undertook these efforts beginning last June, we have undertaken technical engagement with every aspect of the Alberta economy, all of the major industries, municipalities, indigenous communities, and others. That work is ongoing. For example, as I've indicated under energy efficiency, that \$45 million will be disbursed after a very robust consultation process.

We know that there are many programs for individual homeowners that have been successful in other jurisdictions, but there are other things that we can custom fit for Alberta. For example, rural communities or school boards, municipal infrastructure like community centres or arenas, all of these pieces we know will require some degree of attention, and we look forward to speaking to Albertans about those matters going forward.

In addition, the climate office will be undertaking, in conjunction with the Department of Energy, a consultation around micro-generation. This is certainly something that Albertans have a great deal of enthusiasm for. So those conversations are imminent with Albertans and at a technical level as well to ensure that we've got the right technical pieces in place for those matters.

Another area that comes to mind is the bioenergy program, which is being led by Economic Development and Trade and the Agriculture and Forestry ministers. These are all matters that

overlap with the efforts of the climate change office but, certainly, have an effect on us.

Specific to the oil and gas industry, of course, we are moving forward with our consultations and working with them and the Alberta Energy Regulator, the climate office, and Alberta Energy on the methane regulations. This is a large piece of work that establishes Alberta as a leader in terms of reducing some of the most potent greenhouse gas emissions, that is to say methane. We already know, as I've indicated, that those efforts are leading the continent and have resulted in an agreement between the President of the United States and the Prime Minister of Canada. We were in a position where we led on that rather than having solutions imposed upon us because we had already consulted on those matters with industry, and industry had identified it as a priority, as did civil society groups in the environmental space.

**Ms Kazim:** Okay. Thank you very much. That's a good initiative.

My next question. This budget introduced details of the carbon levy, which will be implemented in 2017, including rebates for a significant number of Alberta households. Who is eligible for a rebate, and when will families . . .

**The Chair:** Thank you, hon. member.

Respecting the rotation we'll now go back to the opposition.

**Mr. Loewen:** Thank you, Mr. Chair. On page 50, outcome 1, the first paragraph talks about vulnerable species at risk. I'm just curious. Have there been any studies done on raising bull trout?

**Ms Phillips:** I think I'll have to get back to you on that matter. I'm sure that there have been some within academia, but we'll get back to you on that.

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

Moving on to line 8, the Land Use Secretariat, I just wondered if you would provide us with a written update on how all the regional plans are progressing, especially if there's any information beyond what's on the website. You know, our time is kind of limited here, and I don't know that we can go through an update like that. Just if there's anything else that you could provide us on how things are progressing with those regional plans.

**Ms Phillips:** I believe that the information on the website is up to date.

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

Now, getting back to your business plan, will the government force limits upon oil drilling projects to achieve their climate change goals?

**Ms Phillips:** Of course, part of the unprecedented and historic announcement on November 22, attended by Canadian Natural, Cenovus, Suncor, and Shell and subsequently signed on to by Conoco, Devon, Statoil, and others, is the concept of an emissions limit at 100 megatonnes, with an additional allowance for upgrading. So certainly those conversations are ongoing.

**Mr. Loewen:** That's oil sands. I understand that.

**Ms Phillips:** Yes. So there's an oil sands emissions limit, yes, and how that works is a matter for consultation with industry via the oil sands advisory group, that we announced in the Speech from the Throne.

**Mr. Loewen:** Okay. My specific question was about oil drilling projects.

**Ms Phillips:** Certainly, that was not announced and therefore not contemplated.

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

I'm just going on to another portion here. To date the only entities approved to do wetlands reclamation are the county of Vermilion River, the city of Calgary, and Ducks Unlimited. Is that correct?

**Ms Phillips:** I would have to get back to you as to whether that is an exhaustive list.

**Mr. Loewen:** Okay. Sounds good. Could you also undertake to provide if there have been any other applicants?

**Ms Phillips:** Yes.

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

What is the government doing to ensure that greenhouse gases begin to decline even if energy prices rebound?

**Ms Phillips:** Well, certainly, that's why we have structured the carbon levy as we have as opposed to how carbon pricing has been undertaken in other jurisdictions, for example, British Columbia. We have a number of ways in which we are starting from behind the curve. We also have an energy-intensive, trade-exposed economy; therefore, that's why we are making such robust investments to bend that curve both by taking carbon out of the barrel, investing in innovation and technology, and working with our industry partners in whose interest it also is to lower the emissions intensity, up their efforts.

**Mr. Loewen:** That's even if energy prices rebound?

**Ms Phillips:** Certainly. I would submit that the oil and gas industry certainly has an interest in oil and gas prices rebounding as does the government of Alberta. However, you know, the answer here is that

in order to remain competitive in a carbon-constrained world, the oil and gas industry has supported carbon pricing and supported the investments and the approach that the government of Alberta has taken precisely because they will remain competitive, then, in any of the commodity price scenarios that we confront as a province.

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

How are you going to ensure that government policies don't continue to have a negative impact on investment and further hurt employment in Alberta?

**Ms Phillips:** Hon. member, is there a particular line of the business plan to which you are referring?

**Mr. Loewen:** Yes, it's under the business plan. Yes.

**Ms Phillips:** Could you point me to which section?

**Mr. Loewen:** Sure. We'll go on to another question while we're looking for that.

You stated in your opening statement that diversifying economy and creating jobs is part of your portfolio here, part of your job, so how many jobs do you expect to create, and where, and what line is this on, this job creation program that you're doing with this department?

**The Chair:** Thank you, hon. member. I apologize for the interruption, but I must advise the committee that the time allotted for the item of business has concluded.

I would like to remind committee members that we are scheduled to meet here tomorrow, May 4, 2016, at 9 a.m. to consider the estimates of Treasury Board and Finance.

Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 12 p.m.]



