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The Honourable Kenneth R. Kowalski, Speaker

Legislative Assembly of Alberta

The 27th Legislature

Second Session

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Legislative Assembly of Alberta

1:30 p.m.

Wednesday, November 18, 2009

[The Speaker in the chair]

Prayers

The Speaker: Good afternoon.

Let us pray. We give thanks for our abundant blessings to our province and ourselves. We ask for guidance and the will to follow it. Amen.

Please be seated.

Introduction of Guests

The Speaker: The hon. Member for Edmonton-Mill Woods.

Mr. Benito: Thank you very much, Mr. Speaker. It is my distinct honour to introduce to you and through you to all members of this Assembly a group of 87 students and six teachers from Edith Rogers school from my constituency of Edmonton-Mill Woods. The group is led by their teachers, Mr. David Hunt, Ms Candace Gordon, Mrs. Leigh Oswin, Ms Erin Johnson, Mr. Marek Ziomko, Ms Susan Smyth. They are seated in the members' gallery, and some of them are seated in the public gallery. I would ask them to please rise and receive the traditional warm welcome of this Assembly.

Thank you.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I have two introductions to do today. I'm feeling very lucky, very special. The first introduction I would like to do is that of 16 visitors from NorQuest College, Capital Centre. I think they're in both galleries today. With them are their teachers or group leaders, Mr. Herb Waller and Mrs. Ruschell Moorhouse. I would ask them, if they are in the galleries, to please rise and accept the warm welcome of the Assembly. There they are. Thank you so much.

My second introduction, Mr. Speaker. I'm very, very pleased and honoured to be able to introduce to you and through you to all members of the Assembly a very special woman that I'm honouring today, and that is Barb Dacks. Barb is the owner-publisher of *Legacy* magazine. I'm doing a member's statement later to honour her. *Legacy* magazine was first published in 1996 and in fact was a finalist for Alberta magazine of the year in 2006. She's here with her husband today, Gurston, and I think Gurston is going to be introduced by someone else. Also joining her is her son Joel and her daughter-in-law, Lesley Dacks. With her as well is Mark Dutton, who has worked with Barb for *Legacy* magazine as the art director and designer. I would ask if they would all please rise and accept the welcome of the Assembly.

The Speaker: The hon. Minister of Education.

Mr. Hancock: Thank you, Mr. Speaker. I'm very pleased today to introduce to you and through you to members of the Assembly a number of visitors from Lebanon as well as their local mission co-ordinator, who's an old friend: Mr. Fouad Makhzoumi, founder of the Makhzoumi Foundation and chairman of the National Dialogue Party; Mrs. May Makhzoumi, pharmacist by profession and chair of the Makhzoumi Foundation; Mr. Saba Zreick, vice-chair, National Dialogue Party, and general secretary of the Makhzoumi Foundation; Mrs. Huda Kaskas, director of the Makhzoumi Foundation; Mr.

Samer El Safah, director of the Makhzoumi Foundation; and Mr. Joe Hak, a good friend, as I said, a proud Albertan, mission co-ordinator, and the president of the World Lebanese Cultural Union.

Mr. Speaker, the Makhzoumis are ardent promoters of democracy and human rights in Lebanon. They are visiting Alberta today to celebrate the launch of the Makhzoumi Lebanese studies endowment fund at the U of A in the Faculty of Arts. The Makhzoumis generously contributed \$250,000 to the development of this new academic endowment in the hopes that it will eventually reach \$1 million through the joint effort of the Lebanese community in Alberta and the university. The proceeds of the endowment will be used for a variety of initiatives with the ultimate purpose of promoting an understanding of Lebanese culture and history and its contribution to world civilization.

I met with the delegation earlier this afternoon. Our guests have also met with the Premier and, I understand, will be meeting with the Speaker, the Minister of International and Intergovernmental Relations, and the Minister of Advanced Education and Technology to discuss the positive political, cultural, and economic ties between Lebanon and Alberta. I would ask that our guests rise and please accept the warm welcome of this Assembly.

The Speaker: The hon. Minister of Culture and Community Spirit.

Mr. Blakett: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the Assembly the Professional Arts Coalition of Edmonton. Today PACE hosted an Arts at the Assembly luncheon in the pedway for all MLAs to promote and celebrate ongoing support for the arts. They are seated in the members' gallery, and I'd like to ask each of them to rise as I introduce them: Daniel Cournoyer, president of PACE; Lorna Thomas, chair, Arts at the Assembly committee; Candace Makowichuk, PACE administrator; Kelly Jerrott, event co-ordinator, Arts at the Assembly; and committee members Heidi Bunting, Karen Brown Fournell, Will Cramer, and Alison Turner. They've done a fantastic job of trying to communicate with other MLAs on the importance of arts and culture and get more government support. Please join me in giving them the traditional warm welcome of our Assembly.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Well, thanks, Mr. Speaker. It's a real pleasure for me to see an old – or should I say former? – professor of mine, who is in the gallery today. His name is Gurston Dacks. When I look back over my many, many years as a student, there are only a handful of teachers who really stand out. One of them is Professor Dacks. He taught in the department of political science for many years at the U of A. He established the Canadian studies program. He's very interested in aboriginal issues and Alberta public policy. He also spent time as an administrator. Throughout his career I'm sure he has inspired many students in addition to me and has been a real academic leader in this province. I'd ask Gurston to stand and receive the reception of this Assembly.

Thank you.

The Speaker: Yes. We should start avoiding the use of the word "old." I'm getting rather sensitive.

The hon. Member for Edmonton-Meadowlark.

Dr. Sherman: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to all members of this Assembly Daniel Lessard. Daniel is a grade 11 student at Jasper Place high school. He's a constituent of Edmonton-McClung but studies in Edmonton-

Meadowlark. Daniel is a bright, inquisitive young man. He wants to be a police officer, and he wants to contribute to this society. He's interested in politics and how decisions are made, so he's here to job shadow not only myself but every member here. He's going to keep a close eye on us. Daniel, I hope you enjoy the day. I'd like all my colleagues to welcome my guest. I'd like Daniel to stand and please receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Rutherford.

Mr. Horne: Thank you very much, Mr. Speaker. I'm delighted to introduce to you and through you today to all members Mr. Zsolt Zombor. Mr. Zombor is a teacher at Louis St. Laurent high school in my constituency of Edmonton-Rutherford. This year Mr. Zombor participated in a project with BP Canada called the A+ for Energy program. The program awards grants and scholarships to schools for teachers to implement innovative energy and energy conservation projects in their classrooms. I'm delighted to report that Mr. Zombor and his project were awarded \$10,000. The title of the project was Energy Efficient Tailings Pond Clean-up. I'm sure that in doing so, Mr. Zombor has made a great contribution both to his students and to our education system as a whole. I'd ask Mr. Zombor to please rise and receive the warm traditional welcome of our Assembly.

The Speaker: The hon. Member for Battle River-Wainwright.

Mr. Griffiths: Thank you, Mr. Speaker. I don't see my guests in the members' gallery, but perhaps they're in the public gallery. It's my pleasure to introduce to you and through you to members of this Assembly some of our councillors from the municipal district of Provost who are up here this week for the Alberta Association of Municipal Districts and Counties convention. They are Lenard Kjos, who is the deputy reeve; Jack Roworth, Thomas Schneider, and Barrie Tripp, who are all councillors for the MD. They are accompanied by Tyler Lawrason, who is the CAO for the MD, who used to be an executive assistant right here in this building and now is one of my great constituents. I'd ask them, if they're in the public gallery, to please rise and receive the traditional warm welcome of this Assembly.

1:40

Members' Statements

The Speaker: The hon. Member for Edmonton-Mill Woods.

Edmonton-Mill Woods Constituency Awards

Mr. Benito: Thank you, Mr. Speaker. The 2008 provincial election campaign opened my eyes to the extraordinary people who live in my corner of the city. It was my second run at political life, and I met mothers and fathers, grandmothers and grandfathers, students and young professionals, new Canadians and long-time citizens. They came from different backgrounds, but they shared three common qualities: a desire to become better, a love for their families, and a passion for their community.

I made a promise during the campaign that if I became the MLA, I would start an annual tradition of recognizing these tremendous community-minded individuals with awards and recognition. Thanks to a lot of hard work from supporters and groups in my constituency like the Friends of Edmonton Millwoods Multicultural Association that tradition has begun. On Saturday, Mr. Speaker, I had the pleasure of hosting the first annual Carl Benito awards of excellence. These awards recognized a mother, a father, a youth, and one particularly exceptional individual for improving the quality

of life for the people of Edmonton-Mill Woods through their home, work, community service, volunteer efforts, or a combination thereof. I'd like to mention the 2009 Edmonton-Mill Woods mother of the year, Mrs. Sofia Yaqub; father of the year, Mr. Buzz Baizley; youth of the year, Anuj Gupta; and citizen of the year, Elizabeth Barter.

Mr. Speaker, I also believe that our youth truly are the future of this province. This is why I decided to incorporate outstanding student awards as part of the annual awards of excellence. On Saturday outstanding student awards were handed out to a total of 177 students who have demonstrated academic excellence, outstanding educational achievement, and the will to pursue postsecondary education.

Thank you very much, Mr. Speaker.

The Speaker: The hon. member knows that he violated one of the principal rules of the Assembly.

The hon. Member for Calgary-Lougheed.

Alberta Tourism Awards

Mr. Rodney: Thank you very much, Mr. Speaker. I'm very pleased to rise today to congratulate the finalists and the winners of the 2009 Alberta tourism awards. The Altos were presented in Banff recently during Travel Alberta's annual conference.

The awards celebrate excellence in our \$5 billion tourism industry. From the unique Sweet 16 partnership in central Alberta, in which communities are working together to promote summer events, to establishing more environmentally friendly practices in our accommodations sector, the nominees represented the very best that Alberta has to offer our guests from around the world. They also demonstrate Alberta's tremendous creativity and can-do spirit. Just one of the many examples includes one award winner who attracted more than 3,500 visitors to an event with a budget of less than \$1,000.

Mr. Speaker, I invite all of our colleagues to join us in congratulating all associated with the Alto awards, including our Minister of Tourism, Parks and Recreation, and in thanking industry leaders for their exemplary work in building an even stronger tourism sector in Alberta in the future.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Legacy Magazine

Ms Blakeman: Thank you very much, Mr. Speaker. In the mid-90s eight magazines produced by the department of culture had their funding cut and ceased publication, but Barb Dacks saw an opportunity and a need. She felt strongly that there were stories to be told and emerging artists to be nurtured in celebrating built heritage, arts and culture, and multiculturalism.

To honour what we have received from the past and what new creations would be carried forward into the future, she named her publication *Legacy*. For 14 years Barb Dacks has produced a visually stunning magazine filled with stories, feature articles, photos, submissions from new and emerging artists and writers, reviews, and information of all the possibilities to see, hear, and experience Alberta arts, architecture, and culture.

To meet Barb is to meet a stylish, enthusiastic whirlwind of energy and ideas. She's fun, aware, and involved, and she is everywhere. She is also the first person to wax enthusiastic about her staff and collaborators at *Legacy*, and I must particularly

recognize long-time graphic god Mark Dutton, associate editors Eva Radford and Naomi Lewis, and writer Ron Chalmers. I think a special thank you is in order for her husband, Gurston, who has supported her in the magazine from the start. I also recognize the creative, imaginative people who inspired Barb. With them she shares that impulse to create and to share.

This is my thank you to you, Barb. With the most recent issue, winter 2009, Barb is ceasing publication of *Legacy* and moving on, moving on to plan a book or two and to welcome her first, not one but two, grandchildren, expected this February.

You have left us a great gift, a legacy indeed, which will still be available online. You have been a joy to watch and to get to know. Many, many, many thanks from me and, I'm sure, my colleagues in the Assembly.

Thank you.

The Speaker: The hon. Member for Edmonton-Meadowlark.

Canadian Patient Safety Week

Dr. Sherman: Thank you, Mr. Speaker. I rise today to speak about Canadian Patient Safety Week, which was recognized November 2 to November 6. Now in its fifth year, the goal of Canadian Patient Safety Week is to increase awareness of patient safety issues and share information about best practices in patient safety.

This year's theme was Ask, Listen, Talk. Each year Albertans experience an estimated 7,000 adverse events out of the millions of patient interactions they have with health care providers. Some of these events include medication and procedure errors while receiving care in our hospitals. Adverse events not only affect the patient's health but are an additional burden to the health system in terms of longer hospital stays, greater use of resources, and delay of care for others.

The Canadian Patient Safety Institute relies on the efforts of thousands of health care professionals and their professional colleges as well as private and public health care organizations and health facility operators to help spread the message that good health care starts with good communication.

Patients have the right to receive clear information about the care they are receiving. Earlier this year the Health Quality Council of Alberta released a useful guide to help Albertans get the most out of their health care experience, and this is called *It's Ok to Ask*. The guide encourages patients to be open and honest with their health care provider and ask questions when they don't understand their health condition and treatment options. This practical guide can be found on the council's website at www.hqca.ca.

Canadian Patient Safety Week reminds us that we all have a responsibility in patient care. To mark this important week, I encourage everyone to take an active role in advocating for our health and the health of our loved ones. By taking time to ask, listen, and talk, we can do our part to ensure that our health care system provides the best in safe and effective care possible.

Mr. Speaker, I'd also like to take this opportunity to thank all the good, hard-working front-line staff for all that they do to make this system what it is today.

Thank you.

The Speaker: The hon. Member for Drayton Valley-Calmar.

Alberta Rhodiola Rosea Growers Organization

Mrs. McQueen: Thank you, Mr. Speaker. On October 30 I was joined by the hon. the Premier and the hon. Minister of Agriculture and Rural Development; Blaine Calkins, the MP for Wetaskiwin;

His Worship the mayor of Thorsby, Mr. Allen Gee; and several other industry representatives. We were in Thorsby in my constituency of Drayton Valley-Calmar to celebrate the opening of the Alberta Rhodiola Rosea Growers Organization facility, which is the first of its kind.

The opening of this impressive 6,000-square-foot primary processing facility could not have come at a better time to give our economy and agriculture a much-needed boost. Job creations from plants like the one in Thorsby help keep rural Albertans in their communities, and this facility will have an incredible impact on Thorsby and the surrounding area.

Rhodiola rosea, which is also known as roseroot or golden root, is a herbal remedy that helps the body to adapt to stress by strengthening the immune, nervous, and glandular systems. This plant is well suited to grow in Alberta as it can only germinate when it is very cold. There is a high demand for this crop, and Alberta production has already been sold through 2012 to German and Alberta natural supplement firms. The plant takes about four to five years until it is ready to harvest, but it is hoped that through continued research into roseroot we will produce a three-year growing cycle.

I want to thank the hon. the Premier and the Minister of Agriculture and Rural Development for their support of rural Alberta and projects that will stimulate economic development, especially in the agriculture sector, and the village of Thorsby for all of their work on this project. I look forward to seeing the progress of this facility and the economic benefits that Thorsby will see in the years to come. I also look forward to hearing more about the uses of the Rhodiola rosea plant, and I am confident that ARAGO will continue in their creation and development of innovative technologies from this plant in years to come.

Thank you, Mr. Speaker.

1:50

Oral Question Period

The Speaker: First Official Opposition main question. The hon. Leader of the Official Opposition.

Health Facility Administrative Cost Savings

Dr. Swann: Thank you very much, Mr. Speaker. Alberta Health Services created a \$1.3 billion deficit for themselves and yesterday announced how they were going to trim their budgets this year, supposedly without affecting patient care. Almost half the savings, \$252 million, will be through cuts to facilities management. Cuts to facilities management. To the Premier: will the Premier explain what the facility management cuts actually are?

Mr. Stelmach: Mr. Speaker, Alberta Health Services yesterday announced a roughly \$650 million reduction in the administration, nonclinical services like finance, human resources, information technology, et cetera. This is part of an ongoing process to trim down the administrative expenses, especially following the number of regions we had consolidated into one. This is part of their longer term goal of reducing not only their operating deficit but to ensure that we do sustain our health care system and put every available dollar into front-line services.

The Speaker: The hon. leader.

Dr. Swann: Thank you Mr. Speaker. Does cutting facilities management mean actually reducing hours or services, eliminating facility maintenance perhaps indefinitely? Are those included in facility management cuts?

Mr. Liepert: Mr. Speaker, I don't have the details in front of me of the announcement yesterday, but clearly if the hon. leader will go on the website, I saw where it had the entire list of where the dollars were coming from. That information is public information.

The Speaker: The hon. leader.

Dr. Swann: Thank you, Mr. Speaker. Well, how can this government argue that their cuts to health care aren't affecting patient care when they've eliminated 290 general acute beds from Edmonton and Calgary and another 246 beds planned for Alberta Hospital Edmonton? How is this not affecting patient care?

Mr. Liepert: Well, Mr. Speaker, the hon. leader is only telling half the story. The other half of the story relative to the beds in Edmonton and Calgary is that 800 spaces are being created in these two centres so that we can ensure that the patient is being cared for in the right environment, and the member knows this. We have far too many patients in acute-care facilities who can be better cared for in alternate facilities.

The Speaker: Second Official Opposition main question. The hon. Leader of the Official Opposition.

Lobbying Government

Dr. Swann: Thank you, Mr. Speaker. The list of sponsors for the Progressive Conservative Association convention this month makes for intriguing reading. I've got a copy of it here, actually. Among the sponsors are nonprofit agricultural organizations established by government legislation, and they receive taxpayer dollars through government. My questions are to the Premier. Is there a law in Alberta prohibiting nonprofit organizations established under government statute from receiving donations to political parties – from giving donations to political parties?

Mr. Stelmach: I don't know if they're receiving – I think that was the question, whether they're receiving political donations. I don't think they do. But, you know, in the spirit of transparency and openness the Leader of the Opposition has the full list. Would he be able to tell this House how many of those companies on that list have actually given money to the Liberal Party?

Dr. Swann: Well, Mr. Speaker, I think it's interesting that the Premier is unwilling to say whether or not this is appropriate. I can tell you that Albertans do not think it's appropriate for public funds to be handed to nonprofit organizations and used to sponsor a political party. Why does this Premier, why does this government not clearly indicate that this is not appropriate? Are you willing to stand and say so?

Mr. Stelmach: Mr. Speaker, I don't know what organizations he's referring to, but like I said, you know, they brought this up last week, and they're bringing it up again. I said, you know: openness. They brought in I think it was AltaLink yesterday in terms of what they contributed to the Progressive Conservative Party of Alberta. Tell us what the same company contributed to the Liberals. Look, everybody is here. It's open, transparent.

Dr. Swann: To the Premier: what action are you prepared to take to stop this kind of sponsorship from happening in Alberta? This offends Albertans.

Mr. Stelmach: Well, first of all, let's identify what the hon. leader is talking about. He has a pamphlet that he got from the convention. I don't know what groups he's referring to. Anyway, if there is something in legislation that prevents anyone from contributing to any political party, then let's identify it. If it's groups that can legitimately contribute in some small part or a big part to any political party being part of the democratic purpose, then it's fine, but if you're breaking the law, then let's identify the groups.

The Speaker: Third Official Opposition main question. The hon. Member for Calgary-Buffalo.

Mr. Hehr: Thank you, Mr. Speaker. It is a recognized fact by all but the most naive that special-interest groups and money can and do have influence on political decisions. It is also recognized by all but the most naive that rules and regulations are needed to protect the public interest from the power and access that money and special-interest groups have. That's why we supported the Lobbyists Act. To the Minister of Justice. AltaLink is in one business and one business only, the building of transmission lines. Now, can the Minister of Justice explain how the purchased sponsorship by AltaLink of a political party's convention, that has access to cabinet ministers, is not an act of lobbying?

Ms Redford: Mr. Speaker, this House did unanimously, I believe, support the lobbyist registry act. A part of that act is that for people who feel that they're in a position where they need to be registered, they should register. I'd turn the question back to people that have to make that decision, and that's not us.

Mr. Hehr: But I guess Albertans see this as a clear case of lobbying, so I was just wondering. If they haven't already registered and if they don't already do so, will you explain to Albertans right now why the Lobbyists Act isn't covering these types of situations?

Ms Redford: Mr. Speaker, there's a law in place. There's a set of rules. The reason we put those rules in place is to ensure that there is transparency. We also have the opportunity for public comment and discussion. There is an act in place. There are people responsible, who will take the right decisions that they need to take under that act, and I presume that they will do so.

The Speaker: The hon. member.

Mr. Hehr: Well, thank you, Mr. Speaker. Given that there at least appears to be some confusion as to whether a paid sponsorship of a political party's convention by AltaLink, a company in the business of building transmission lines, could be perceived as unregistered lobbying, will the minister do the right thing and investigate this situation or maybe, better yet, appoint a special prosecutor to investigate this?

Ms Redford: Well, Mr. Speaker, I think there's someone who's confused here, and I wouldn't want to suggest who that might be. There is a Lobbyists Act in place. There is an Ethics Commissioner, who is responsible for that act. It sets out what everyone's obligations are, and I expect that people will observe the act. It's the law of Alberta, and appropriate actions will be taken and steps followed.

The Speaker: The hon. Member for Edmonton-Highlands-Norwood, followed by the hon. Member for Calgary-Glenmore.

Bitumen Exports

Mr. Mason: Thank you very much, Mr. Speaker. This Premier has proclaimed that change is coming. One of the changes this Premier promised a long time ago now was to reduce the flow of unprocessed bitumen to the United States. The opposite has occurred, and thousands of Alberta jobs have gone south. Will the Premier please tell Albertans whether or not the change he is now promising includes keeping his original promise to reduce exports of bitumen to U.S. refineries?

Mr. Stelmach: Mr. Speaker, the policy that we have in place in terms of adding as much value as we can to forestry, of course to agriculture products, and to bitumen stays in place. We now presently have a request for proposal that's out there, that will be replied to, I believe, by the end of January or mid-January. It's for the first 100,000 barrels. We'll see the results of that RFP, and we'll continue to build on that process.

But, you know, this thing about thousands of jobs going south: I wonder where they went. The Americans just shed over 20 million jobs, the highest unemployment ever, well, since the Depression at least, so let's just stick to the facts. We're doing what we can to increase value-added in the province, but let's not misrepresent the facts.

Mr. Mason: Well, misrepresenting the facts, Mr. Speaker, is an interesting concept because this Premier knows that there are tens of thousands of current jobs at refineries and upgraders in the United States that are being built in anticipation of pipelines that are now under construction to take Alberta unprocessed bitumen to the United States. So the Premier needs to be very careful when he accuses other people of misrepresenting the facts.

The new oil sands projects that have been rekindled – Firebag, Kearl oil, and Jackfish Lake – are all bitumen export only, Mr. Speaker. Will the Premier admit that nothing has changed when it comes to breaking commitments or failing to protect Alberta jobs? There is no change. It's business as usual.

2:00

Mr. Stelmach: Mr. Speaker, we are focused, as I said, on adding more value. Part of adding value is to look at new markets. This government is supporting a pipeline to the west coast as well. We can't tie ourselves just to one market, that being the United States. We need other markets, emerging markets in China, in India. That's where we have to get to. So we have a lot of work ahead of ourselves, and we're working very hard with the neighbouring provinces and the federal government to bring that plan into place.

Mr. Mason: More pipelines to export unprocessed bitumen, Mr. Speaker, is exactly what we don't need.

This Premier sits back while jobs go south and down the pipeline and welfare rolls and food bank use in Alberta soar. Thousands of Albertans face unemployment while U.S. workers take their jobs. It's unacceptable, even more so because the Premier got elected on a promise to stop this. If Albertans want change, Mr. Speaker, they will have to look past this PC government.

Mr. Stelmach: I don't know if there was a question. All I know is that if he was that concerned about the pipelines being built – if you don't have a pipeline, how can you send synthetic crude anywhere? So he's kind of up in the air there. If the hon. member is that concerned, you know . . . [interjections] I sat quietly when he asked a question. I hope he does the same when I'm giving him an answer even though he didn't have a question.

If he is that concerned, why was it, then, that a former staff member of that party was hanging from the roof of the Shaw Conference Centre on behalf of Greenpeace and saying that we should shut everything down in the province of Alberta?

The Speaker: The hon. Member for Calgary-Glenmore, followed by the hon. Member for Edmonton-Centre.

Provincial Spending

Mr. Hinman: Well, thank you, Mr. Speaker. The people of Calgary-Glenmore along with thousands of Albertans across this province want to send the Premier a message: the projected \$8 billion deficit is unacceptable and hurting Albertans. The Premier has stated there will be no new taxes and he'll make cuts to his budget while at the same time proposing new and unnecessary pieces of legislation estimated to cost Albertans billions more. The Premier cannot expect Albertans to accept major deficit spending when he won't even cut his own wage. When will the Premier be honest with Albertans, lead by example, and give back all of his 30 per cent pay raise, not just a token 15 per cent of the raise?

Mr. Stelmach: Mr. Speaker, again, percentages. I was very clear in the news release on showing leadership in terms of trimming spending of government. All I have influence on, of course, is my salary and that of cabinet. All cabinet ministers took a reduction of over \$6,000, and my reduction was 12,000 and some-odd dollars a year.

Mr. Hinman: Mr. Speaker, the raise was unwarranted and undeserved, and the gap continues to widen.

The Premier has jeopardized our health care through the centralization of power and decision-making via the superboard and has further insulted Albertans by handing out exorbitant wage contracts to unelected government appointees. Will the Premier do the right thing and listen to Albertans and renegotiate these exorbitant wages?

Mr. Stelmach: I'm not quite sure who he's referring to, so he'll have to clarify and be very specific. There are quasi-judicial authorities in the province of Alberta – ERCB, AUC, AESO, AFSC, a whole number of them – that do work on behalf of the province of Alberta. They are quasi-judicial in authority, making decisions on applications, whether it be for development or environment. But, you know, if he can be more specific.

Mr. Hinman: Therein lies the problem. He has no realization. The wages have been exorbitant, Albertans have been insulted with the golden handshakes. He knows exactly who he's made these contracts with.

The Premier has stated that he'll make \$470 million in cuts to this year's budget while proposing billions of dollars of new spending on two lines of unneeded infrastructure. Will the Premier be honest with Albertans and admit that additional deficit spending is additional taxes on Alberta's families, workers, and children?

Mr. Stelmach: Mr. Speaker, I think he's referring to a bill that's before this House, and that is Bill 50. Of course, I can't comment on it because it's before the House.

With respect to spending on infrastructure, I can tell you that we are going to continue to build the infrastructure that's absolutely necessary in this province. We need more highways. We need more roads. We need more schools. We need more seniors' facilities to ensure that we can move the seniors from acute-care hospitals into

accommodations at least into those communities that they helped build. So we will continue to invest public dollars in infrastructure. It's keeping people employed, and we also need the infrastructure.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Whitecourt-Ste. Anne.

Support for the Horse-racing Industry

Ms Blakeman: Thank you very much, Mr. Speaker. With the closure of Stampede Park and the indefinite postponement of the Balzac track, we are now down to one class A horse-racing track, located at Northlands in Edmonton. My questions are to the Minister of Culture and Community Spirit. What is the justification for allocating the same amount of money to Horse Racing Alberta when it has one-third as much racing activity as before?

Mr. Blackett: Well, Mr. Speaker, it's pretty simple. We entered into a 10-year agreement with Horse Racing Alberta. It's a legal contract, and we believe in honouring our obligations.

Ms Blakeman: So the minister is telling us that even if there is no horse racing going on, because I'm told that horse races are costing Edmonton Northlands money, and they would like to get out of that particular business, they will continue to put money into Horse Racing Alberta when there are no horse races going on in Alberta?

Mr. Blackett: Well, Mr. Speaker, everybody in this Legislature should know that the government is undergoing the budget process right now. We have said, our Premier has said that all things that we have in this government are on the table. We are taking a look at those in terms of spending, so we will take a look at that.

Ms Blakeman: Well, let me make a suggestion. How about if the minister pulls the plug and reallocates this money to some sectors that are growing, unlike horse racing, sectors like arts, culture, cultural industries, sport, or recreation?

Mr. Blackett: I should tell the hon. member, Mr. Speaker, the people from PACE have already left here.

The hon. member knows full well that the money that comes through Horse Racing Alberta is derived out of slot revenue that is located at the racetracks. It's a flow through where 15 per cent of the net proceeds are allocated to the track operators, and 51 and two-thirds per cent of the net proceeds are returned to the horse-racing industry, and they're used for breeding programs, marketing, and purse enhancement.

Right now, as I said before, Mr. Speaker, we are re-evaluating. If she has any further questions, she may want to direct them to the Solicitor General.

The Speaker: The hon. Member for Whitecourt-Ste. Anne, followed by the hon. Member for Lethbridge-East.

Submetering for Energy Use

Mr. VanderBurg: Well, thank you, Mr. Speaker. Years ago large apartments across the province were built with no unit utility meters. You know, at the time maybe it was the right decision, but with utility costs on the rise, in many of these older apartments the landlords are using heat submeters to try to capture the cost of the electricity, of the heat, of the hot water. But we have a little bit of a problem on the units that have hot-water heat. They've used these submeters, and the submetering isn't accurate. There are some real

concerns. I've had problems. The Minister of Service Alberta has had some problems. I wonder if the minister can tell me what she has done to make sure that these sometimes vulnerable Albertans are protected.

The Speaker: The hon. minister.

Mrs. Klimchuk: Thank you, Mr. Speaker. Indeed, today I did announce a regulation with respect to heat submetering in that landlords can no longer use uncertified heat submeters to bill tenants. I firmly believe that renters, especially those with lower fixed incomes, deserve to be billed fairly and to have clear and understandable information on what they're paying for, and that's what this regulation is doing. Having this regulation in place will assist renters, and they'll be able to know full well what they're paying for with respect to their utility costs.

2:10

Mr. VanderBurg: Well, again to the same minister – and thank you for that regulation – I'd like to know who you consulted with for that regulation and how this regulation will limit how much landlords can bill the existing tenants through a different process.

The Speaker: The hon. minister.

Mrs. Klimchuk: Thank you, Mr. Speaker. This consultation that we did was with the landlords, the tenants, the Alberta Utilities Commission, Measurement Canada, and with RTAC, the Alberta Residential Tenancy Advisory Committee. This committee gave excellent advice. The regulation today only allows heat submeters to be used to bill tenants, and there are not any heat submeters certified by Measurement Canada at this time. In the event a heat submeter does become certified by Measurement Canada, we will address this regulation again, but in the meantime this regulation takes effect.

Mr. VanderBurg: Well, I thank the minister for protecting Albertans and sometimes vulnerable Albertans. But those same buildings did not have electricity or gas metering as well, and I understand the submetering was installed to protect the rising costs of utilities in those buildings. What's the minister doing to make sure that we're protected from submetering issues with natural gas and electricity?

The Speaker: The hon. minister.

Mrs. Klimchuk: Thank you, Mr. Speaker. Measurement Canada regulates electricity and natural gas meters, and there are no issues with those. It's the heat submeters that we're looking at, and they've been in place in Alberta since about 2007. This is a principle about tenants actually paying for the energy they're using, and renters deserve to have the confidence to know that they are paying for the right amount of energy. That's exactly what this regulation is doing.

The Speaker: The hon. Member for Lethbridge-East, followed by the hon. Member for Calgary-Egmont.

PDD Funding

Ms Pastoor: Thank you, Mr. Speaker. In the spring budget the Minister of Seniors and Community Supports promised \$24 million to PDD service providers for recruitment and retention of staff. That promise to underpaid PDD staff and to those who cannot live in

dignity without their support has been broken. To the Minister of Seniors and Community Supports: will the minister admit that by cutting \$10 million of their funding, front-line PDD staff will fall further behind government workers who do the same job?

Mrs. Jablonski: Mr. Speaker, PDD and other vulnerable citizens in Alberta are very important to this government. In fact, they're a priority. We did have a \$24 million line item for PDD funding. The economic situation has changed. I wanted to make sure that our PDD front-line staff received some funding, so we were able to extend \$14.4 million for them. In the last four years we've extended \$74 million altogether for recruitment and retention of our staff in PDD.

The Speaker: The hon. member.

Ms Pastoor: Thank you, Mr. Speaker. The remaining retention funding can only be used for a one-time bonus. Does the minister believe that a one-time bonus will actually keep staff rather than overdue permanent wage increases?

Mrs. Jablonski: Mr. Speaker, I visited with lots of groups in PDD, and I've seen the great work that our front-line staff do. It's very important to me that we can keep them. I felt that this was the best way to extend money that we were able to extend from our budget to show them our appreciation. It was a one-time bonus that I hope at this time of the year they could appreciate. Once again, it's the economic situation that has created this situation.

The Speaker: The hon. member.

Ms Pastoor: Thank you. That's sort of akin to a Klein buck that was spent instantly.

The eligibility requirements for PDD have changed, which will decrease the number of new PDD recipients. How much money does the minister expect to save in the future from both the funding cuts and by changing the eligibility?

Mrs. Jablonski: Mr. Speaker, we have put the eligibility requirements into regulation, but they're the same requirements that we were using in policy all the way along, so I don't expect that there will be a decrease of clients. We'll be able to ensure that through the eligibility requirements we have a fair assessment policy for all of our clients throughout Alberta. Those who need help most will receive help most, and we'll keep this program sustainable.

The Speaker: The hon. Member for Calgary-Egmont, followed by the hon. Member for Calgary-Varsity.

Municipal Franchise Fees

Mr. Denis: Thank you very much, Mr. Speaker. I rise today to address the issue of local access fees. These local access fees are costing Albertans many hundreds of dollars, and many of my constituents feel that this is simply a hidden tax on their utility bill. I tend to agree. To the Minister of Municipal Affairs: would you please tell me what's up with these fees?

Mr. Danyluk: Well, Mr. Speaker, that's an interesting and clever question. I do want to say that I'm going to attempt to answer it. I want to say, first of all, that transparency is very important to consumers and for them to understand their utility bills, but local

access fees are charged by municipalities and passed on directly to consumers. These fees vary in the province. The city of Medicine Hat doesn't charge a fee. The city of Edmonton has a mid-low fee at \$3.70 a month, average. The city of Calgary, in answering the question, is in the highest range at \$12.85. This fee goes directly to the municipality, and it is up to the municipality to justify the fee for their ratepayers and explain its use.

The Speaker: The hon. member.

Mr. Denis: Thank you very much, Mr. Speaker. I'm quite happy that the minister mentioned Calgary. But that aside, on this issue the Canadian Federation of Independent Business in 2007 indicated that "the City of Calgary is charging itself to use City land, but then passing the charge along to citizens." A significant portion of this franchise fee revenue comes from Enmax. To the same minister: why is this allowed?

Mr. Danyluk: Well, Mr. Speaker, the Municipal Government Act does allow municipalities to levy fees related to the use of municipal land. It's up to the municipalities if they determine that they need to or should do this. In the case of municipalities that own their own utility company, it is a transfer of funds. I guess some municipalities such as Calgary charge this as a percentage of the whole bill plus a fee based on consumption. This is a local decision.

The Speaker: The hon. member.

Mr. Denis: Thank you, Mr. Speaker. My final question is to the Minister of Service Alberta. In light of the concerns about local franchise fees and the previous minister's comments will this minister commit to an investigation of these fees to help reduce electricity fees for the average Albertan?

The Speaker: The hon. minister.

Mrs. Klimchuk: Thank you, Mr. Speaker. Service Alberta would be very happy to work with Municipal Affairs on this issue of local franchise fees. It is so important for consumers to have clear and understandable information on their bills, and we know that there are a lot of questions out there. The Utilities Consumer Advocate gets calls on a number of these and other issues, and this is something that consumers need to do. Consumers always need to ask questions when they look at the bills, and that's what the UCA is here for.

The Speaker: The hon. Member for Calgary-Varsity, followed by the hon. Member for Edmonton-Strathcona.

Postsecondary Education Costs

Mr. Chase: Thank you very much, Mr. Speaker. Providing affordable education leads to diversification within the economy and will soften the blows of the boom-and-bust cycles that plague our province. Sadly, this government is again failing to recognize the widespread implications of its short-sighted and ill-conceived budgeting process. It is shameful that in a province with such a wealth of resources we have such a dismal postsecondary participation rate. The rate will only get worse as the government allows the cost of education to continue to rise. How can the minister be allowing postsecondary education to become even less accessible to many Albertans who will no longer be able to afford the higher tuition rates? Where is the Alberta advantage?

Mr. Horner: Well, Mr. Speaker, I'm not exactly sure what the hon. member is talking about. Our CPI cap is in place. This year I think it's running at about 1.5 per cent as the maximum that tuition rates across the board would be able to rise. In fact, over the last six years our postsecondaries have received an increase in their base operating grant of well over 40 per cent. That is second to none in any jurisdiction in Canada and, I would add, the United States.

Mr. Chase: That's cold comfort for this year and the next two years, where zero per cent is projected.

Tuition hikes will ultimately lead to a decline in our already bottom level postsecondary attendance rate. Does the minister not understand that by further limiting the number of people who can pursue advanced education, he is greatly impacting the ability of our economy to forge forward with trained individuals? Education equals economy.

Mr. Horner: Well, Mr. Speaker, if the comments that the hon. member made were true, I would agree with him, but they're not true. The tuition rates that we have in terms of the CPI cap have been set. The CPI cap is still there and I would suggest is a very warm comfort when you look at other jurisdictions that are experiencing 20 per cent cuts to their faculties and staff. The University of California, Berkeley, I think is on their second round. Across Canada postsecondaries are experiencing a great deal of difficulty. In fact, I know of two provinces who have removed the freeze on tuition increases. That's not happening in this province.

2:20

The Speaker: The hon. member.

Mr. Chase: Thank you. Mr. Speaker, I wonder if the minister of advanced education realizes that enrolment in other postsecondary institutions in other provinces is as much as double our 17 per cent.

Given that many students in Alberta already have to rely on food banks and due to an ever-declining standard of living are forced to choose between education and eating, how will the minister determine which punitive proposals for tuition hikes will be accepted?

Mr. Horner: Well, Mr. Speaker, I've not received any proposals at this point in time, so it's very difficult for me to answer a hypothetical question. The hon. member likes to throw a lot of rhetoric out there, he likes to do a lot of that sort of grandstanding, but at this point in time I've received no proposals for those types of increases. I would add that we have a fabulous working relationship with the students and the institutions of Campus Alberta, one that this hon. member might want to avail himself of.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Edmonton-Decore.

Ms Notley: Well, thank you, Mr. Speaker. This set of questions may seem a bit familiar, but since we didn't get a clear answer on the last round, I'll go at it again. No matter what terminology the minister of advanced education uses, this government is inviting proposals from universities to allow students to be asked to pay more for their education. That's the bottom line. Now, a better educated population will diversify our economy and should be encouraged, not squelched. Why would the minister consider adding to the burden of students rather than investing in them so that our province can actually recover from this recession?

Mr. Horner: Well, Mr. Speaker, this government and this Premier have invested heavily in our postsecondary system over the last several years. In fact, I would say that we lead the nation in terms of the support that we provide not only to our postsecondary institutions but also to our students. We have the most generous scholarship and student finance package in the country. We have the best postsecondary institutions in the country. We have a new framework for our postsecondaries that allows for students to move as freely as possible within the system of Campus Alberta.

Today, Mr. Speaker, we even announced, hosted by yourself, the Athabasca University legislative drafting proposal that goes global. We have a world-recognized postsecondary system that is the best for students, taxpayers, and society.

Ms Notley: Mr. Speaker, a typical dentistry student already pays more than \$40,000 a year for tuition and supplies, and that's before living expenses. Ordinary Albertans pay taxes that support these programs, but this government's plan will make sure that their kids will never be able to afford to enrol in them. Why is this minister even considering proposals that would make entrance into the professions possible only for children of the wealthy?

Mr. Horner: Well, Mr. Speaker, our student financial assistance programs are designed exactly for that type of a situation: to help all students in the province of Alberta achieve their dreams. Having said that, I must also point out, again, that I've received no proposal on dentistry, on welding, on anything that the hon. member is talking about, so it's a hypothetical situation at this point in time.

Ms Notley: Well, Mr. Speaker, the minister has invited just those kinds of proposals.

Now, the government's new marketing slogan, Freedom to Create, Spirit to Achieve, needs a caveat: bring lots of cash. Mr. Speaker, making tuition fees for professional programs even more inaccessible for all but the rich is neither fair nor equitable. Instead, it's elitist, and it will limit opportunities. To the same minister: why won't you admit that in the midst of a recession creating further barriers to higher education simply makes no economic sense?

Mr. Horner: Mr. Speaker, I believe that if you were to canvass the postsecondary institutions in our province today, you would hear from them that they have the most supportive government of the provinces of Canada. You would find that the students have had the most access to their minister that they've had in any other jurisdiction of this country. You would find that they believe that they have the best postsecondary system in North America. It's unfortunate that this hon. member doesn't believe so.

The Speaker: The hon. Member for Edmonton-Decore, followed by the hon. Member for Edmonton-Riverview.

Pharmaceutical Strategy

Mrs. Sarich: Thank you, Mr. Speaker. A number of weeks ago the Minister of Health and Wellness announced the second phase of Alberta's pharmaceutical strategy. I'm more concerned and interested in the plan to increase bulk buying of pharmaceutical drugs; however, in the constituency of Edmonton-Decore there are still constituents who are voicing some concern that the new plan will only help the companies who develop and sell pharmaceutical products. To the Minister of Health and Wellness: how will this plan ensure that patients will see a reduction in the cost of their prescription drugs?

The Speaker: The hon. minister.

Mr. Liepert: Thank you, Mr. Speaker. The member is correct. Earlier this summer we did bring forward the second phase of a pharmaceutical strategy, and it dealt primarily with the price of generic drugs. Immediately prices for new generic drugs are being reduced from 75 per cent of brand name price to 45 per cent. Starting next April the existing generic prices will be reduced to somewhere in that same range.

Now, with respect to brand name drugs the prices are set internationally. We have the ability to negotiate product listing agreements with manufacturers, and sometimes there are volume rebates. We are going to work hard at doing that on behalf of customers in Alberta.

The Speaker: The hon. member.

Mrs. Sarich: Thank you, Mr. Speaker. Again to the Minister of Health and Wellness. It's my understanding that Alberta has agreements with the federal government regarding patents and licensing. How will this new strategy impact our co-operation with the federal government?

Mr. Liepert: Well, as I mentioned, the federal government is responsible for monitoring the internationally set drug prices. I think what's more important in our relationship with the federal government – and we've been pushing for this as provincial ministers for some time now – is to have a national pharmaceutical strategy, not to be confused with the NDP's pharma plan, that would deal with such things as the high cost of drugs for situations where there are special cases. Despite the fact that the federal government hasn't moved on that, Alberta has. We're proud to be one of the few provinces that have done that, Mr. Speaker.

The Speaker: The hon. member.

Mrs. Sarich: Thank you, Mr. Speaker. My last question to the same minister. Everyone understands that drug prices increase each year. If there are no formal discussions with the federal government, then what has the government done to address concerns regarding the lack of co-ordination amongst the provinces?

Mr. Liepert: Well, the member is correct that setting of pharmaceutical policy is a provincial responsibility. That being said, we have had discussions with our western counterparts, especially B.C. and Saskatchewan because of the like-minded thinking governments of the three provinces, to look at how we can better co-ordinate our pharmaceutical strategies. One of the things that has happened, as an example, is that Alberta Health Services in conjunction with the regional health authorities in British Columbia have worked out an arrangement for bulk purchasing of drugs for within their systems. I think that ultimately will be good for the taxpayers of Alberta, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Olds-Didsbury-Three Hills.

H1N1 Influenza Immunization Costs

Dr. Taft: Thanks, Mr. Speaker. Fighting the H1N1 pandemic is costing money, which, as long as it's properly spent, is certainly well worth it. The cost of things like vaccines and clinics and staffing, hospitalization, public education are over and above the normal

expenses of a health care system. It's reported that these costs could hit a hundred million dollars. My question is to the Minister of Health and Wellness. Can the minister actually tell us what the costs of fighting the H1N1 pandemic are expected to be? Are they in the range of the hundred million dollars that has been reported?

Mr. Liepert: Mr. Speaker, earlier on this summer when we were anticipating the vaccine program, I did say that the cost could be as high as a hundred million dollars. Now, I think it's fair to say at this stage that we've revised those numbers. We don't have anything concrete yet. As an example, initially it was thought that the majority of people would have to have two doses of vaccine. That's been revised to one dose pretty much across the board. Obviously, there are significant cost savings there. All I can say is that we will ensure that we have a full costing of the program, and it will be significant.

Dr. Taft: I appreciate the answer. Given that Alberta Health Services is already facing a huge deficit, it would be unfair if the one-time pandemic costs were added to that deficit. That would, I think, simply fuel further cuts to the health budget, cuts that would be unjustified. To the same minister: can he tell us if the pandemic costs will be added to the already \$1.3 billion deficit of Alberta Health Services?

2:30

Mr. Liepert: Mr. Speaker, as we move through the winter season, we'll have a better sense of the exact cost. It would be my intention to go to Treasury Board. That is my intention. I can't promise what Treasury Board is going to say or do, but it would be my intention to go to Treasury Board because I think this particular pandemic is an unusual expense. I look at it in the same way as how we fund forest fires. Those are the things that are not expected, not budgeted for. That would be the plan but a little further down the road.

The Speaker: The hon. member.

Dr. Taft: Thank you. Well, let me help the minister with his pitch. My question, then, I guess, will go to the President of the Treasury Board. The pandemic does seem to be in the category of an actual disaster like a bad forest fire season or a tornado or a flood, and these costs are covered normally through extraordinary expenses through the sustainability fund or some special allocation. To the President of the Treasury Board: will this government ensure that the costs of the pandemic are not drained from the health care system but are covered as an extraordinary, one-time event in the same manner as any other natural disaster?

Mr. Snelgrove: I want to thank the hon. member for the question because it is a serious question, and it's something that we need to develop a policy around as we go forward. I would hope that it's the last time that something like this would happen, but it's probably not going to be. We had discussions with the minister of health over a month ago, six weeks ago, about the importance of keeping track of all of the effects of this, even to include hospitalization. The benefit of that is that it will help us track our system, the costs and the most effective use of the resources around it. I take the hon. member's question as good intentioned, and we will do what we can to work with the minister of health and address the exact issue he has talked about.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Gold Bar.

Didsbury Hospital Helipad Closure

Mr. Marz: Thank you, Mr. Speaker. Once again it has been announced by Alberta Health Services that they've closed the helipad at Didsbury hospital, and once again the fingers of blame are being pointed at Transport Canada, but once again Transport Canada is hesitating to accept any responsibility in this matter. My question is to the Minister of Health and Wellness. Could the minister clarify who is ultimately responsible for the closure of this helipad at Didsbury?

Mr. Liepert: Well, Mr. Speaker, the member and I have had several conversations over the summer, and the one thing we have concluded is that they're appropriately named. They're a helipad. We've had a summer where it has been – I won't go there. We've had, I think, a communication issue. There have been issues with Transport Canada and Alberta Health Services, and I guess that at the end of the day, with respect to the most recent decision, Transport Canada and Alberta Health Services have jointly agreed that this particular helipad will be closed. Alberta Health Services has promised to provide Transport Canada with a remediation plan, and that's in the works right now.

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. Since there have been no changes with this helipad since it was originally opened, why is it being now closed? What has changed?

Mr. Liepert: Well, that's one of the issues. My understanding is that this particular helipad is in an unapproved, developed area, and that's what was giving Transport Canada concern. We have several others in the area. I know there's one in the Member for Rocky Mountain House constituency; in that particular case it's a different issue. As I say, Alberta Health Services has undertaken to do a remediation plan, and we'll work with Transport Canada in an attempt to get these facilities operational, and we'll wait for those plans to come forward.

Mr. Marz: Could the minister detail the process of getting this helipad reopened, and when will that happen?

Mr. Liepert: Well, what has to happen through this process is to sit down and take a look and see what the cost is to have this particular helipad and some of the others operational. In some of these situations, Mr. Speaker, other things have to be taken into account: how far away from the health facility is the airport, or are there other alternatives that could be used, and is it justified to spend the money to ensure that these are upgraded to meet Transport Canada regulations? That's exactly the work that's going on now. I believe that the commitment by Alberta Health Services was: before the end of the year.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Airdrie-Chestermere.

Executive Salaries and Travel Expenses

Mr. MacDonald: Thank you, Mr. Speaker. To the acting Premier: what is the justification for the \$2 million increase in the total salary and wages for senior executives in the Premier's office over the last six years?

Mr. Snelgrove: I would guess that's what their salaries added up to at the end of the five or six years. It's pretty simple.

Mr. MacDonald: That cavalier attitude is one of the reasons why we have such a huge deficit.

Again to the acting Premier: what is the justification for the \$60 million increase in travel and communications expenses by this government as reported in the government of Alberta's consolidated financial statements?

Mr. Snelgrove: Mr. Speaker, we in Alberta are sitting on one of the most important energy developments in the world, and it's got to be done right. The people around the world that are looking to us for secure energy supplies, amongst other things the stuff we do in our universities, the stuff we're doing in health care research – we've got a great story here in Alberta, and we're committed to spreading it around the world. They talk about wanting to grow the economy, but we can't talk to people. They talk about getting development or diversifying our economic pie, but we should stay home in a dark little cave and not learn anything. The responsibility of this government is to get our message to the world and to Albertans about what we've got and where we're going.

Mr. MacDonald: I could say something about the minister's cave, but I won't.

Would the President of the Treasury Board commit to scaling back the \$2 million increase in salaries in the Premier's office and the \$60 million increase in travel and communications budgets before you slash public services in this province?

Mr. Snelgrove: I think that if you were to ask anyone in these rows here and there, I'm an equal opportunity axer. The Premier's office has been asked to live up to the same commitments that every other department has had. The Premier has made it very clear to us that our priorities as a government are going to be health and education. We're going to continue to build the infrastructure Albertans need to grow the economic pie. From that point everything is on the table; everything is being looked at. It's a process that started three years ago next month when this gentleman became Premier, and it's one we're committed to.

The Speaker: The hon. Member for Airdrie-Chestermere, followed by the hon. Member for Edmonton-Ellerslie.

Provincial Spending

(continued)

Mr. Anderson: Thank you, Mr. Speaker. Alberta's program spending over the past decade or so has become somewhat unsustainable. Program spending has increased by more than 159 per cent since 1997. During that same period our inflation and population growth rates have increased by only 72 per cent. In other words, our program spending increases have been more than double our inflation and population growth rates. To the President of the Treasury Board: is our government committed to capping increases in program spending to the rate of inflation plus population growth?

Mr. Snelgrove: Mr. Speaker, what I guess I would say I've learned in my past business and in government is that we learn from the past here; we don't live in it. We've taken a new approach, like I said, starting three years ago, understanding not what can we spend but what we need to spend on these very important issues that face Alberta. It's also needed to be understood that the growth that happened in the last 10 years was primarily on health, education, and advanced education. If the hon. member wants to tell us what 2,000 or 3,000 nurses we shouldn't have hired, what 3,000 or 4,000 teachers we shouldn't have hired, what schools shouldn't have been

built, and what roads shouldn't have been built so we can have an extra \$40 billion or \$50 billion in the bank, then I'm open to that. The money was well spent, well invested in Alberta.

Mr. Anderson: We can be responsible with our spending and still build the infrastructure that we need, Mr. Speaker.

Multiple studies examining U.S. states clearly show that spending limitation laws tied to inflation plus population growth have been effective where implemented. Unlegislated policies to the same effect, however, have had little impact on actually controlling spending. To the same minister: will our government be open to examining the option of legislating a cap on government program spending increases to the rate of inflation plus population growth?

Mr. Snelgrove: Mr. Speaker, I had the opportunity to attend a conference in Kansas City this summer with the states. Many of them are committed to different kinds of taxation limitations, spending restrictions, mostly taxing. I don't think anyone in this House wants to get in a position where our hands are tied to make the appropriate decisions for Albertans.

California is a perfect example of where people have been afraid to tackle the decisions head-on: so we'll put it out to a referendum; we don't want to make the tough decision, so we'll just ask them, and then we'll have to live with it while the thing goes down the drain.

We've made responsible decisions here in the past three years. We're going forward. This year we used the number of population plus inflation, and we will spend what we need to, not necessarily what we're able to or what some other people think we should.

2:40

Mr. Anderson: California, actually, does not have a spending limitation law, which is one of the reasons why they are in so much trouble right now.

The chambers of commerce, the Canadian Bankers Association, the Fraser Institute, the Taxpayers Federation, CFIB, and many others have extensively studied and recommended capping government spending increases to the rate of inflation plus population growth. The Premier has also publicly endorsed this policy. To the minister: with such widespread agreement for this principle, why would our government only make this a policy rather than enshrining it in legislation as a cornerstone of a long-term fiscal framework?

Mr. Snelgrove: Mr. Speaker, I can't be sure, but of the groups he mentioned, not one of them delivers health care in this province, and not one of them delivers the education in this province. It's very difficult to go to Albertans and say: "Guess what? Your kid needs to wait" – and he's got a class size of 63 – "but we've got \$35 billion more in the bank." The people of Alberta have the opportunity on a regular basis to vote for a government. They give that government in this province a four-year mandate to do what they think is right with their resources. Albertans in the past have supported overwhelmingly the direction this government has taken.

Have we made strides to try and limit our program spending? Absolutely, but we're going to do it responsibly. We have been asked conclusively from across: don't do what we did in the '90s; across-the-board cuts don't work. Thoughtful allocation is far better than having to deal with unintended consequences. We've been given direction by the Premier. All cabinet is buying into it. It's on a go-forward, not a look backwards, and I'm looking forward to the next five or six years of Alberta's future.

The Speaker: Hon. members, that was 96 questions and responses today.

We will go back to the Routine in just a few seconds from now. We'll continue with the last member in Members' Statements in about 15 seconds.

Before I recognize the hon. Member for Edmonton-McClung, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

Introduction of Guests

(continued)

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Well, thank you, Mr. Speaker, and thanks to members of the Assembly. I'm honoured to rise and introduce to you and to all members of the Assembly a very special guest who is seated in the public gallery today. Raju Tuladhar is a professional tapestry artist who lives in Kathmandu, Nepal, which is a city of 1.2 million and the capital of one of the poorest countries in the world. Raju studied from the age of 12 at Kala Guthi, Kathmandu Style and Design Institute. His creations are now exhibited and sold in North America as well as in Nepal. He's visited Canada twice so far, in 2007 and again this year. Raju returns to Nepal this Saturday after spending six months in Alberta creating and exhibiting his incredible tapestries and spending time with his many Canadian mums. I would ask all members of the Assembly to please join me in welcoming Raju today and wishing him a safe journey back home to his family and friends, who are eagerly awaiting in Kathmandu.

Thank you.

Members' Statements

(continued)

The Speaker: The hon. Member for Edmonton-McClung.

International Day for Tolerance

Mr. Xiao: Thank you, Mr. Speaker. In 1995, the United Nations Year for Tolerance, the United Nations General Assembly passed a resolution that designated November 16 as the International Day for Tolerance. For more than 100 years Albertans have worked together to build a stronger, more tolerant society. Today Alberta is recognized around the world as a welcoming home to individuals and families of all origins, faiths, and cultures. With our world-class education and health care system all Albertans have the opportunity and the tools to succeed.

Mr. Speaker, the International Day for Tolerance is an opportunity to reflect on the progress we have made together, and I can think of no better reflection of that progress than my colleagues in this Assembly. I'm very proud to be part of one of the most diverse Legislatures in the history of this province, indeed this country. However, we also acknowledge that work needs to be done. Discrimination continues to affect Albertans across our province, from schools to the workplace, and as in other provinces and countries we are working to educate and build awareness of discrimination so that all Albertans may live in a province of mutual respect and tolerance. We must all do our part as Albertans to ensure that such hatred and intolerance has no place in this province that we all call home.

Thank you, Mr. Speaker.

Presenting Petitions

The Speaker: Hon. Member for Lethbridge-East, a petition?

Ms Pastoor: Yes. Thank you, Mr. Speaker. I'm presenting a petition with 862 names representing southern Alberta communities, 22 in total, and they stretch from Milk River, Taber, Lethbridge, Fort Macleod, Claresholm, and all of the communities in between. They ask that the government of Alberta grandfather the rights and status of registered massage therapists to ensure that the clients of said therapists will be able to use their insurance coverage in order to pay for massage services from these current therapists.

The Speaker: The hon. Member for Edmonton-Strathcona.

Ms Notley: Thank you, Mr. Speaker. I have two petitions. The first petition I'd like to present reads: "We, the undersigned residents of Alberta, petition the Legislative Assembly of Alberta to urge the Government to maintain the current number of acute care mental health beds at Alberta Hospital Edmonton." The petition has 317 signatures.

The second petition, which I'd like to present on behalf of the Member for Edmonton-Highlands-Norwood, reads: "We, the undersigned residents of Alberta, petition the Legislative Assembly of Alberta to urge the Government to include Complex Decongestive Therapy in the list of accepted therapeutic procedures covered by Alberta Health Care." The petition has 37 signatures.

Introduction of Bills

The Speaker: The hon. Minister of Health and Wellness.

Bill 62

Emergency Health Services Amendment Act, 2009

Mr. Liepert: Thank you very much, Mr. Speaker. It's my pleasure today to rise and request leave to introduce first reading of Bill 62, the Emergency Health Services Amendment Act, 2009.

Bill 62, Mr. Speaker, will allow and maintain the ability of ambulance attendants to share information which they observe or collect when they are dispatched to an incident with police investigators.

With that, I'd like to move first reading of Bill 62.

[Motion carried; Bill 62 read a first time]

Tabling Returns and Reports

The Speaker: The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you, Mr. Speaker. I have a set of retablings and tablings. My first set of retablings is copies of correspondence from Calgary-Varsity constituents Neil Thurber, Habib Syed, Nasser Hamid, Janet and Gary Moore, and Aldred Epp, all of whom have asked to have me voice their opposition to Bill 50 for reasons including trying to circumvent the public's view; the plan is not benefiting Albertans; for being pushed through and decided upon behind closed doors; alternatives must be explored, but Bill 50 would prevent them from being identified and debated publicly; and a proper public and industry review can result in a more realistic solution.

My second retabbling is the requisite number of copies of correspondence from Calgary Gabrielle Enns, Isabelle Emery, Jennifer Reddy, Jenny Regal, Kelly Russell, Kelly Waterman, Antonella Fanella, Dave Roseke, Michelle Cooledge, Sarah Clarke, Marlies Sargent, Brenda Herring, Ken Yasenchuk, Meghann Springett, Alicia Motuz, Tim Kitchen, and Patricia Paterson. They were sent to the Minister of Education and the Premier, urging them not to cut

funding for education because it is more important in these times than ever to invest in our children's futures.

2:50

My next set of tablings is on an educational theme. It's the report to the community that President Harvey Weingarten gave on behalf of the University of Calgary – it's entitled *A Strong Idea* – as well as a magazine entitled *U*, University of Calgary, Fall 2009. As I'm sure many members know, the president is leaving the university this year and over his nine years has contributed greatly to the growth of the University of Calgary, and it's been my honour to work with him since the fall of 2004.

I'm tabling the program of Opportunity Knocks, which was the National Housing Day fifth annual breakfast, that took place in the Stampede grounds this past constituency week.

I'm also tabling a program entitled Rich Man Poor Man: Healing the Gap, a fundraiser for the Calgary drop-in centre, a student-run medical clinic, which is currently being run by Dr. Hurley. The donations from the dinner will help to establish the clinic.

Lastly, I'm tabling the Diwali Show 2009 program of the Hindu Society of Calgary. It was a delightful program, that many members were able to enjoy.

Thank you, Mr. Speaker.

The Speaker: Are there others?

Hon. members, I'm tabling copies of a memorandum from the hon. Member for Calgary-Fish Creek requesting that Bill 206, the School (Enhanced Protection of Students and Teachers) Amendment Act, 2009, be given early consideration for third reading.

Orders of the Day

Government Bills and Orders

Second Reading

Bill 50

Electric Statutes Amendment Act, 2009

Mr. Mason moved that the motion for second reading be amended to read that Bill 50, the Electric Statutes Amendment Act, 2009, be not now read a second time because the bill fails to provide for public consultation prior to the approval of critical transmission infrastructure.

[Adjourned debate November 17: Ms Pastoor]

The Speaker: All right. Hon. members, when we left yesterday afternoon, I advised that the hon. Member for Lethbridge-East was to be in the House to deal with the 29(2)(a) provision, and that hasn't happened, so I may not recognize her when it comes to debate on second reading.

Additional speakers on the amendment? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. Certainly, I listened yesterday afternoon to this reasoned amendment as proposed regarding Bill 50, and I'm happy at this time to have an opportunity to speak. Certainly, the public is not sold on the need for Bill 50. Interested parties across the province have had a look at this bill. It was initially presented to the House here in June. Actually, on June 1, I believe, the hon. Minister of Energy laid the bill before the House. We had all summer and the fall to have a look at it, and the more and more people looked at this bill, the more and more concerned they got. This is why I would urge the Assembly, with all due respect, to pass this amendment.

Now, when we look at the bill and we look at the need for critical transmission infrastructure, there is enough legislation already in place to fulfill the requests or the wish list or whatever you want to call it of the AESO and their long-term transmission system plan. We need to have transmission routes – there's no doubt about that – but we have to maintain an open, public, and transparent process. The idea that the cabinet may designate as critical transmission infrastructure a proposed transmission facility, as is indicated on page 5, certainly is interesting. The cabinet is going to override here any what I would consider assessment that is necessary to ensure that the transmission needs to be built in the first place.

Now, I can see why the government, particularly this government, is panicking again whenever it looks at its electricity and transmission policies because the electricity policy and the transmission policy, of course, are linked. When we look at deregulation – and we're essentially, Mr. Speaker, 10 years into the whole process of deregulation – we were promised in this House time and time again that if we were patient and we waited, we would see the economic benefit of deregulation. It hasn't happened. Bills keep going up.

The argument across the way, Mr. Speaker, it's interesting to note, was that once natural gas prices come down, well, we're going to see power prices come down because natural gas is used as a fuel for many of the peaking plants. Natural gas has diminished in price. It's probably in some markets one-third of what it was two years ago. Has the price of power come down? The price of wholesale electricity? Certainly not. So there is one argument that the government can't say is working.

They said that we would have all this competition, of course, and that competition would drive down prices. That hasn't happened either. Now, what we do know is that with energy deregulation the long-term planning function – and this is where the transmission system has come into such a state of neglect – of the transmission system was just set aside, and as a result of that we have no major upgrades. We've had no major upgrades in I think it's 16 years, but what we have seen is certainly an increase in the energy emergency alerts, whether it's the summer or the winter. It is routine now for there to be emergency alerts, and in some cases people are actually requested by the system operator to scale back their use of electricity. Now, we have seen blackouts in this province. Oddly enough, they have occurred in the summer, during air conditioning season, and not during winter at 30 below, but I'm not sure that that's not going to happen here in the near future.

If we look at the reserve that is needed and the reserve margin that we now have on the Power Pool, we can see that as electricity generation has become scarcer and less reliable, the reserve margin is going down and down. I'm surprised that this government hasn't enthusiastically embraced the Enmax proposal, Mr. Speaker, to build up to 800 megawatts of natural gas generation on the edge of Calgary. Not only would it reduce some of the need for the 500-kV transmission between Lake Wabamun and Langdon, I believe, in Calgary – and the hon. member may laugh. But I would really ask the hon. member – and he has his computer there – just to check in with the Power Pool of Alberta and see exactly what kind of reserve margin we're even dealing with now and what they anticipate the reserve margin in this province will be, for instance, in 2010 and 2011.

If we had given the Enmax proposal the go-ahead, at least part of that power plant would be commissioned when we need the power the most. Calgary and the Calgary area is the area of the province that is affected most by the folly of deregulation. There are shortages there of baseload generation capacity, and Enmax is trying to fix that. It's quite odd that we were talking earlier in question period about this policy resolution booklet, or whatever it was that

was at the PC convention, and these corporate sponsors were involved. Certainly, there was corporate sponsorship from Trans-Alta, from Capital Power, and from AltaLink, but I didn't see – and I could have been wrong – Enmax. Enmax wasn't a sponsor of that convention. Now, hon. members can correct me. I don't have a copy of this policy booklet, or whatever it was, with the sponsorship on it in the front there. If I'm wrong and hon. members could correct me, I would appreciate that. But I didn't see sponsorship from Enmax on the copy I looked at, and that tells me a lot about this bill or what we shouldn't have in this bill.

3:00

The Speaker: Actually, hon. member, we're talking about the amendment.

Mr. MacDonald: You're absolutely right, Mr. Speaker.

The Speaker: Thank you.

Mr. MacDonald: I appreciate your guidance.

The Speaker: You're welcome.

Mr. MacDonald: Yes. I don't know how, Mr. Speaker, I neglected that.

The reasoned amendment is going to give additional time for organizations or corporations like Enmax to convince this government that they have a solution to part of the transmission bill.

Now, we have heard many different estimates of what that cost would be. I have correspondence here from government members that was provided to their constituents – and the constituents provided it to me over the summer and the fall – that said that the bill would be, like, \$8 a month. Some had the bill as high as \$14 billion.

Enmax, if we were to follow their proposal, that bill would be reduced at least by some amount. When you consider this bill and you see what this bill is going to do through cabinet order, force transmission lines wherever cabinet decides, there doesn't seem to me to be any economic consideration in this. It's what cabinet wishes to do. I don't think that's fair to just have this behind-the-closed-doors decision and present the bill, Mr. Speaker, to the consumers. The ratepayers of this province are going to be stuck with the bill.

We already know that this cabinet made a flawed decision when they enthusiastically supported deregulation and forced it upon the consumers. Consumers had no say in this. The only thing that they can do is pay the bigger and bigger bills each and every month. They got no benefit from this.

We could do that, but, Mr. Speaker, with this amendment, if this amendment was passed, we could have a series of public meetings across this province. I know there are public meetings going on. Joe Anglin, he's having public meetings. I'm told that some government MLAs are having public meetings. There was a public meeting out in the west end of Edmonton, and I believe there's going to be another one at the AgriCom on transmission infrastructure. There was a public meeting in Sherwood Park earlier in the summer.

Citizens, certainly, before they're going to be stuck with this bill, want to know, first and foremost, what's going on and why they have to pay. Many, Mr. Speaker, consumers are astonished to learn that at one time the regulatory process in this province decided that the bill, the tab, whether it's \$2 billion, \$4 billion, or \$14 billion, would be equally shared between the generators of the electricity and the consumers of the electricity.

What happened, again with no public consultation, is that a former Minister of Energy, Mr. Smith, in a ballroom in Banff stood up and made an announcement that: no, we're shifting all the costs onto the bills of consumers regardless; that's how it is. The EUB made a ruling that it should be shared equally, but, no, the Minister of Energy in this government, the same political party that still governs, decided that it was consumers who should foot the bill. We asked at the time how much that bill would be, and we were scoffed, we were jeered, and the bill . . . [interjection] Yes, it's true, hon. minister; it's true. This bill has grown from \$2 billion to \$4 billion to, astonishingly enough, \$14 billion and even higher. Consumers are going to have to pay this. It's not a laughing matter.

Some industries with high electricity costs and no electricity-generating capacity of their own are contemplating leaving this province and going to places like Saskatchewan or Manitoba.

Mr. Liepert: Who?

Mr. MacDonald: Yes, they certainly are, hon. minister of health.

Mr. Liepert: Name them.

Mr. MacDonald: Name them? AT Plastics, for one. That's one.

Now, when you look at the commercial, the industrial, and the residential users and break them down, if industrial users because of the high cost of electricity, a direct consequence of electricity deregulation, decide that they're going to have their own behind-the-fence generation, which is how they're going to operate because they can generate electricity a lot cheaper than what this crowd across the way can deliver it to them for, Mr. Speaker, I'm afraid that more of these transmission costs will wind up on the bills of consumers because we're going to have a smaller pool of consumers paying a bigger portion of the transmission bill.

Hopefully there are going to be a lot of industrial sites that are developed in this province. I would suggest to the hon. members across the way that one of the unintended consequences of this bill, unless we support this reasoned amendment, is that industrial sites will have their own generating capacity, and they will be exempt or they will be outside the grid. They will be connected for convenience purposes, but they will essentially be on their own, and we will stick residential consumers, who already have high bills, with even more of this 14-plus billion dollar tab for transmission if this bill goes forward.

That's one point at this time that I would like to make. In conclusion, Mr. Speaker, I would certainly like to remind hon. members that the public is not sold on the need for this bill. This amendment gives the government another chance, and they should take it.

Thank you.

The Speaker: Hon. members, Standing Order 29(2)(a) is available.

Speaker's Ruling Question-and-comment Period

The Speaker: Just a second before we set the clock for this. Yesterday we had the situation – and we've been having this situation for some period of time now during this 29(2)(a) – where a member stood up and spoke for four minutes and 58 seconds before arriving at a question. In other words, he filibustered somebody else's time frame. The rule clearly says that this is to provide for members to participate, and they should be brief, and they should provide for a response. The guideline that I tend to follow under question period is approximately 35 seconds. I intend

now on following such a guideline under 29(2)(a). The intent of 29(2)(a) is to maximize the number of questions and maximize the number of responses. So that is how we will now proceed. There will be no more filibustering of this section.

Hon. Member for Calgary-Glenmore, you know the time frame.

Debate Continued

Mr. Hinman: Thank you, Mr. Speaker. I appreciate your direction on that.

The hon. member referred to Enmax, saying that maybe they could get the message to this government. But perhaps he could expound a little bit more on his experience in the needs process that used to go on in order to build power lines and how that's been changed in this bill and, so, why this amendment is important to be accepted so that we can look at the needs process that is exempted from the AUC if this bill passes. Would you expound on that a little bit?

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you, Mr. Speaker. Certainly, I and others feel that Bill 50 is unnecessary. There are existing laws, as I said before, regarding the acquisition of rights of way for the benefit of the public at large and giving landowners the rights that they deserve. What we're missing with this and are going to continue to miss unless we give it this second chance that the reasoned amendment is going to provide is an analysis of the true needs of Alberta's electricity system.

Now, I will remind the hon. member that we had a spy scandal happen down in Rimbey in the community hall.

3:10

The Speaker: Okay. Thank you very much, hon. member.

Additional questions? The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you. I'm wondering if the hon. Member for Edmonton-Gold Bar has a percentage of what percentage of the bill residential homeowners will have to pick up. In other words, if residential owners receive 20 per cent of the electricity from these new transmission lines, what amount on a population basis are they going to have to pay? My concern is that it seems that taxpayers are being heavily affected by these new bills, and I'm just wondering if you have percentages.

The Speaker: The hon. Member for Edmonton-Gold Bar, if you wish.

Mr. MacDonald: Yes. I'm disappointed I didn't get a chance, but I will in committee get a chance to discuss the situation in Rimbey.

My big issue here is the transmission charges: 61 per cent are picked up by industrial consumers, 19 per cent by commercial, 16 per cent by residential, 4 per cent by farms. If the industrial consumers decide to go on their own with behind-the-fence generation, the 16 per cent of residential consumers are going to be stuck with a larger portion of this tab. I want the government right now, before we go any further with this bill, to tell me what they're going to do about this. This is a real concern.

Thank you.

The Speaker: Additional questions? The hon. Member for Peace River.

Mr. Oberle: Thank you, Mr. Speaker. It's my honour to rise. I just have a question for the member. At the beginning of the member's

comments he discussed the emergency situation, a couple of instances of the lack of power, cases when emergency orders were issued, people were asked to scale back, and he went towards the end of it where there's actually no need for additional transmission. Without getting into the Bill 50 thing – there's much debate to come here – could the member just tell us whether he thinks there's a need or is not a need for additional transmission in the province? It wasn't real clear in his speech, and I'd like to know where he stands.

Mr. MacDonald: No. It's clear to me that the hon. Member for Peace River was not listening. What I did say was: there is not a need for all this transmission upgrade. If we follow through with the Enmax proposal to add more generation on the edge of the load in Calgary, there will be less need to stick consumers across the province with the total bill for the upgrades between Wabamun and Langdon. Clearly, if the hon. member – I would ask him to now, if he has a computer there, go to the Power Pool, the Alberta Electric System Operator, and he can see for himself, if he can understand it, the reserve margin and the capacity that we direly need in this province.

The Speaker: Thank you, hon. Member for Edmonton-Gold Bar.

Mr. Oberle: One additional question, then, Mr. Speaker. I wonder what the member would propose to say to the power users in Calgary or, for that matter, the rest of the province when natural gas rates go back to \$9 or \$10. What's going to happen in the Calgary power market?

Mr. MacDonald: I wish I had a crystal ball to know where natural gas prices are going. I'm sure the minister of finance and the Treasury Board president would also like to know. Now, if the hon. member has some insight into natural gas prices in the future, you should share them with your colleagues.

The Speaker: Thank you, hon. member.

Well, that worked well.

Is there further discussion or debate on the amendment? The hon. Member for Edmonton-Strathcona.

Ms Notley: Thank you. It's a pleasure to be able to step up after that lively and well-interspersed exchange. I rise to speak in favour of the amendment put forward by the hon. Member for Edmonton-Highlands-Norwood, that Bill 50 not be read a second time because of the bill's failure to provide for public consultation prior to the approval of the critical transmission infrastructure.

This element of the bill that we are identifying at this point as being such a problem resides in that part of the bill that would change the process around the consideration of the needs identification document such that the needs identification document need not be required to be submitted to the AUC should the government designate a particular project as a critical infrastructure transmission. As a result, then, the matter is not considered through the public hearings that would otherwise be provided through the AUC.

We raise this amendment because, of course, among other things, while we have some very serious concerns about the merits of the transmission lines that are being proposed, there is value simply to the issue of whether or not Albertans are going to be given the opportunity to be fully consulted, as they would be through a public hearing process, that would be negated as a result of Bill 50 in its current form.

I'd like to talk just a little bit about why it is that we believe standing up for the public hearing process is so important and why

we think it's a matter that's important to Albertans across the province regardless of their view, ultimately, on whether or not these transmission lines ought to be approved. Basically, we need to ensure that this is a matter that is not left simply to cabinet to assess; rather, it needs to be considered through a public, transparent process that is governed by an independent regulator.

Now, we appreciate that the government is a little uncomfortable with this because, of course, the last time this issue was considered by a theoretically independent regulator, we had a little problem with that theoretically independent regulator engaging in inappropriate practices vis-à-vis their supervision, shall we say, of stakeholders who were appearing before that so-called independent public regulator. So I understand that the government is a little bit nervous about this. Nonetheless, where independent public regulators actually work functionally in a way where they actually engage in their business in accordance with the laws and common law that outlines the way they are expected to function, the independence of that regulator adds, ultimately, to the quality of the decision that is made as a result of the independence and as a result of reducing the political interference.

Flowing from that, then, we know that when you go through a public hearing process, it is less likely that approval or conditions or denial of same would be driven by merely short-term political interests. They would be more likely to focus on long-term, long-run benefits and the consideration of whether the costs associated with the particular application can be maintained.

That's something, again, that we think Albertans need to know about. At this point there are a lot of different suggestions out there in the public about what this particular critical infrastructure process is really designed to do. Is it designed to deal with a so-called problem with respect to our domestic electricity transmission, or is it really designed to allow for future export opportunities, the capital infrastructure costs of which would be borne disproportionately by consumers, who would not get the benefit of the profits arising from those power export opportunities?

In this particular case there is an issue around the long-term implications of this project. We know that it is through an independent public hearing process that we are most likely to get a dispassionate assessment of what the long-term benefits and consequences are of this project.

3:20

As well, with all due respect to members of cabinet, who would consider the issue of regulations ultimately adopted by the Lieutenant Governor in Council, the regulatory agencies that oversee these public hearing processes typically have expertise, historic awareness, and background knowledge to understand and evaluate and adjudicate the issues which are being considered. I would suggest that it's unlikely that the members of cabinet who would be consulted in the process of determining whether regulatory exceptions would be allowed for this particular project would have the same level of expertise, historic awareness, and background knowledge to understand, evaluate, and adjudicate this complex issue.

Now, the regulatory processes that this bill in its current form would remove, that we are objecting to in the course of this amendment, are designed to take the interested parties' positions and subject them to public scrutiny, to test the arguments that are put forward, and to ensure that people and parties and stakeholders with interests – some vested, some not vested; it doesn't really matter – are able in a transparent, open forum to see what everybody else's argument is, and they can evaluate it, and they can determine how the decision is being made. Those arguments are best tested in that kind of forum. When you remove access to that forum, you are far

more likely to undermine the quality of the decision that's being made because you simply haven't tested it against opposing views. You haven't tested it against the implications of the project in question for citizens across the province, all citizens.

We need to have a full and transparent discussion particularly on the issue of the needs identification because we know already, even without this project and the projects that are identified in this bill being subjected to the full public hearing process, simply through certain parties having an opportunity to get access to the media and to talk amongst themselves in a rather haphazard and disorganized kind of way, that there is certainly more than one set of expert opinions, I would suggest, out there about the need for these projects. We know that certain experts are suggesting that these projects are not necessary, that they are not needed, that the doom and gloom that's proposed by the government is not actually something that's about to come to pass.

Now, I'm not going to get into the merits of that because that's not what this amendment is about. What I will say is that there is enough difference of opinion out there that it makes no sense at all to not test that difference of opinion in the most transparent and objective and independent setting possible. To do that, of course, would be in the best interests of all Albertans.

Now, another reason why we want to ensure that that process is maintained and why it's so important to allow for that kind of public hearing process is because when we do that, we also guard against the whole issue, the whole potential, whether it's perceived or whether it's real, of private interest having an undue influence on the decision-making process. Quite frankly, there has been an interesting discussion within this Assembly over the course of the last few days about the fact that one particular party that stands to benefit from this bill going forward unamended has also been able to donate significant amounts of money to the governing political party. Now, that may or may not be of relevance. There may or may not be an association between the two. We really don't know. But the best way to ensure the confidence of Albertans in the objectivity and the merits of the decision we're discussing is to take that decision and test it in a public and independent forum. Why would we, then, go forward on a bill, a significant component of which is to take that very process away from Albertans, to take the decision about what constitutes critical infrastructure and put it behind the closed doors of cabinet?

Public regulatory processes also go through a process, and the public regulatory process does not currently exist in the bill where the alternatives are made available and the regulator is required to consider the alternatives and explain why they may or may not be the appropriate course in this particular case. That continues, again, to be a very sort of important constraint on any real or perceived collusion between decision-makers and various organizations with vested private interests.

You know, I think it's really important to have a really well-thought-out explanation of the rationale. At this point, when we've had debate on it in this House, people who ask questions about it are primarily met with rather surly denials that there's any issue at all, that any of the complaints or the legitimate concerns that have been raised by vested interests and nonvested interests across the province that happen to oppose this bill are simply wrong. We don't get into any sort of well-thought-out, well-supported, well-researched rationale for why it is that they're wrong. We're just told in this rather surly way that they're wrong and that we should just close our eyes and trust the government and move on. I simply don't think that that's an appropriate way to move forward on something that could cost this province or its consumers upwards of \$8 billion. I mean, that's just a grossly irresponsible way to move forward.

The final point that I would make around the merits of a regulatory process of having a public hearing is that it allows, of course, for public participation, and through that we contribute to the public's understanding, the public's sense of the government being accountable to them and of the legitimacy of the process as a whole. I think that because in this case there have been a number of concerns raised about what the plans identified in Bill 50 will cost the public and what they will cost consumers, the public needs the opportunity to know what they would be paying for and why they would be paying for it. At this point they're not getting that opportunity. They're not being given that information clearly by the government.

Again, for the reasons I've identified before, a public hearing process is the forum within which that information would be most clearly communicated, most objectively communicated, and most effectively communicated in that the public would be invited to participate, and we would have ongoing discussions that would hopefully engage the public in order for them to be aware of what it is we're talking about and what the consequences are.

The public really does need to know what the consequences are of this bill, and I would suggest that they can't simply rely on the government. I look, for instance, at one piece of communication that came from the government that talks about what kind of changes we would see under Bill 50 . . .

The Speaker: Hon. members, Standing Order 29(2)(a) is available. The hon. Member for Calgary-Buffalo.

Mr. Hehr: Thank you, Mr. Speaker. I'd like to ask the hon. member of the third party what she thinks the rationale for setting up the Alberta Utilities Commission was by politicians in the first place.

The Speaker: We're on the amendment now, remember? That's the subject matter of our debate. Go ahead.

Ms Notley: The amendment itself talks about the need to reject this bill because it negates the transparent public hearing process that would otherwise be associated with the consideration of the needs identification document. That relates to the member's question because, of course, the Alberta Utilities Commission was created because of a very failed public hearing and consultation process. We have a problem in this province, where we previously had an EUB that was supposed to be engaging in neutral, objective, independent . . .

3:30

The Speaker: Thank you, hon. member.

The hon. Minister of Energy.

Mr. Knight: Well, thank you very much, Mr. Speaker. I've just got a couple of questions for the member opposite with respect to the amendment. The amendment, of course, being a hoist, removes Bill 50 totally.

The Speaker: No, it's not a hoist amendment.

Mr. Knight: Mr. Speaker, excuse me. The amendment would remove the ability for this piece of legislation to do some other things as well. I'm wondering if the member would mind sharing with this Assembly whether or not she would suggest that things like . . .

The Speaker: Thank you, hon. minister.

Hon. member, if you wish to respond.

Ms Notley: Well, I have to say that I'm not entirely sure where the question was going. In this particular case the amendment is premised on the fact that beyond the other merits that may or may not exist within the bill, the bill itself takes away a critical public consultation component to something which could potentially cost Albertans upwards of \$8 billion. So regardless of the merits of moving forward and all the other kinds of stuff that the government may have good reason to pursue – and I'm not suggesting that you don't; maybe you do; maybe you don't – the fact of the matter is that a fundamental principle is that we ought not to be taking away from Albertans the ability . . .

The Speaker: Thank you, hon. member.
The hon. Member for Calgary-Glenmore.

Mr. Hinman: Thank you, Mr. Speaker. With the amendment it says, you know, that it fails to provide public consultation prior to the approval of the critical transmission infrastructure, and I support this amendment. My question to the hon. Member for Edmonton-Strathcona. In the old process, if we don't change this bill, there's the needs requirement hearing, and the document has to be served. What would be the power, do you feel, of actually having a needs hearing in front of the AUC versus the minister making a declaration saying, "Oh, I already know that we don't need to have a needs hearing"?

The Speaker: Thank you, hon. member.
Hon. Member for Edmonton-Strathcona, if you wish.

Ms Notley: Thank you. Well, I think you've really hit the nail on the head about why it is that we believe so strongly in the importance of this amendment, because what we're talking about, as I was saying before, is something that could potentially cost Alberta taxpayers \$8 billion. That kind of decision needs to be tested in an independent setting that is transparent, where the public hears the submissions made by everybody that's got a vested or an unvested, whatever you want to call it, interest and where they can evaluate all the people that come forward. Whether they can sit and watch or they can participate doesn't really matter. When you're talking about that kind of money in the future, that's the process that should be in place.

The Speaker: Thank you, hon. member.
Minister of Energy, did you have an additional question?

Mr. Knight: Yes, Mr. Speaker, if I might. The business about public consultation. I'd just like to ask the member opposite if she would consider that 300 open, public meetings that have been held respective to this particular piece of business since 2007 would not be considered public consultation.

Ms Notley: No, I wouldn't because what we need is to have public meetings that are managed by an independent regulator, where all the public knows about every meeting and everybody gets to go to every meeting should they want and where we don't have selected groups in one place listening to selected submissions in other places. The fact of the matter is that the public hearing process with the EUB previously has been seriously undermined in the eyes of Albertans. To then move away from a public hearing process when the former chair of the EUB promised that they'd go back to the drawing board because they messed it up so much last time . . .

The Speaker: Thank you, hon. member.

Are there additional members who would like to participate in this debate on the amendment?

There being none, then I'll call the question.

[The voice vote indicated that the motion on the amendment to second reading lost]

[Several members rose calling for a division. The division bell was rung at 3:34 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Blakeman	Kang	Swann
Chase	MacDonald	Taft
Hehr	Notley	Taylor
Hinman	Pastoor	

Against the motion:

Allred	Griffiths	McQueen
Brown	Groeneveld	Mitzel
Calahasen	Hancock	Olson
Campbell	Horne	Quest
Cao	Jablonski	Rogers
Dallas	Klimchuk	Sherman
Denis	Knight	Tarchuk
Drysdale	Leskiw	VanderBurg
Evans	Liepert	Vandermeer
Fawcett	Lindsay	Woo-Paw
Forsyth	Marz	Zwozdesky
Goudreau		

Totals:	For – 11	Against – 34
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[Motion on amendment to second reading of Bill 50 lost]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. Pursuant to Standing Order 49 I would move that this question be now put.

Speaker's Ruling Moving the Previous Question

The Speaker: If all hon. members would look at their Standing Orders, you'll see Previous Question, 49(1), (2), and (3). In essence, what this procedure now does is put us on a path for continued debate on the second reading of this bill. At the conclusion of all those who want to participate in the debate, a vote will be taken, and if it's found to be in the affirmative, then we will go immediately to the vote on second reading. This now provides all members an opportunity to participate once again in the debate on Bill 50.

The time constraints are as they always have been: 15 minutes for individual members, with Standing Order 29(2)(a) availing itself for five minutes, and an opportunity for the leader of the government and the Leader of the Official Opposition to speak for up to 90 minutes on this. So, in essence, if all 82 members in the Assembly were to participate, we would be looking at approximately – what? – 327, 328 hours. If it's three hours a day, it could be nine days. So there is opportunity here to participate in the debate. Even those who have already participated have an opportunity to participate again.

The hon. Member for Edmonton-Centre.

Point of Order

Explanation of Speaker's Ruling

Ms Blakeman: Thank you, Mr. Speaker. Under 13(2) if I could ask for clarification for members of the House then. The motion that we are currently speaking to, then, is the motion that the previous question be put. It is not, in fact, speaking to the general principle of the bill as we understand it in a usual debate for second reading. Is that correct?

The Speaker: No. My interpretation and interpretations of the past have been very, very wide: participation on the bill rather than simply the words of the question. So you have free rein to participate in continuing second reading of this bill, and you begin afresh. Even if you've participated before, you may participate again. I can give you all the statements that I've given in the past, and you might refer to this. Essentially, you have wide range of debate even if you participated before.

3:50

Ms Blakeman: Under 13(2). We are indeed speaking to "that this question be now put," but the Speaker has indicated that he'll give us very wide latitude. This, of course, would also preclude any other amendments being put on the floor.

The Speaker: That's one of the rules under 49 and the tradition with respect to this. There are no further amendments. We're now dealing with the second reading of Bill 50. Wide ranging. Every member has an opportunity once. No amendments.

Ms Blakeman: It is a form of closure, although we no longer have closure available to us in the standing orders in this House, in that members may only now speak once. Whether they've spoken before or not, they may now only speak once, and they are restricted to that. Correct?

The Speaker: Well, I'm not going to carry on a continuing debate with respect to this. It was quite clear, which I've already given. In fact, members will have two opportunities. If some members have already spoken, have already participated on Bill 50 at second reading, they'll now be given a second opportunity to speak on second reading. This is very wide open. You've got up to 20 minutes each with Standing Order 29(2)(a).

You may now continue, whoever wishes to participate on Bill 50. None?

Ms Blakeman: It's closure.

The Speaker: You'll all have a chance. Over the next nine days there will be all kinds of opportunity.

The hon. Member for Grande Prairie-Wapiti, please.

Debate Continued

Mr. Drysdale: Thank you, Mr. Speaker. I'm pleased to participate today in the second reading of Bill 50, the Electric Statutes Amendment Act, 2009. Bill 50 plays an important role in Alberta's way forward. Like with roads, schools, and hospitals Bill 50 gives government the responsibility to approve the need for critical electricity infrastructure. Make no mistake; the need for transmission infrastructure is critical. I know there's been plenty of debate about the need for new and upgraded infrastructure. Some of our detractors say that new transmission is unnecessary, but certainly the facts speak for themselves. It's a fact that Alberta's population has

grown by 32 per cent in the last 20 years. We're now home to 3.65 million people compared to 2.49 million people in 1989.

It's pretty obvious that we have a lot more business and industry than we had 20 years ago. In fact, our business, industry, and retail sectors have quadrupled, yet in the last 20 years we haven't seen any significant upgrades to the transmission system. Mr. Speaker, it seems pretty clear that Alberta has outgrown its transmission system, yet we're continuing to rely on electricity transmission infrastructure that was built to meet the needs of an Alberta that looked much different than it does today.

While it did serve us well, Alberta's transmission system now is aging, congested, and inefficient. Many of our existing generators are nearing the end of their useful life. In fact, over the next 20 years more than 2,000 megawatts of generation will be retired from service, and it's predicted that we'll need another 11,500 megawatts of new generation.

[The Deputy Speaker in the chair]

Bill 50 will allow Alberta to continue moving forward. The projects included in Bill 50 will provide the necessary infrastructure to keep electricity flowing across the province. These projects will ensure that Albertans continue to have light when they flick the switch and ensure that businesses can continue to operate and grow, adding more jobs to the province and contributing more revenue to our economy.

Bill 50 is for Alberta. It's not, as some people have suggested, a money-making scheme for power generators to export electricity out of our province. Alberta is and always has been a net importer of electricity. That means we currently have to bring in more power than we export so we can meet the needs of Albertans during peak hours of demand. In fact, some days the transmission lines within the province are so congested that we can't even move our own power to some parts of Alberta, and we have to import instead. The fact is that projects included in Bill 50 are for Albertans, for power for Alberta.

Improving our transmission system also means we'll be better able to use low-emission electricity and renewable resources. Alberta has hydroelectric resources in the north, we have wind power in the south, and we have biomass in the northwest. What we don't have is efficient means to bring this power to where it's needed. Bill 50 will help us do that. Improved transmission infrastructure will allow us to optimize the use of these natural resources, enabling us to connect more renewable resources to the grid and providing Albertans with more clean energy choices.

A more efficient, less congested grid also ensures that Albertans get access to competitively priced electricity any time of the day. Yes, Mr. Speaker, despite the misconceptions being perpetrated about the sky-high cost to Albertans if Bill 50 is passed, there are economic advantages to improving transmission infrastructure. In fact, the cost to Albertans would ultimately be much higher if we did not pass this bill and if we don't act immediately.

Bill 50 approves the need for four critical transmission infrastructure projects. The estimated cost for the four projects is \$5.6 billion. That means the average residential consumer will see an increase of less than \$6 on their monthly bill, or less than \$72 a year, once all four projects are in service, and we expect that to be around 2017. The cost will be added in increments, starting around 2012 and increasing over time as the projects are completed.

I'd also like to speak to the misconceptions about Bill 50 taking away from the public's right to be heard. Bill 50 speaks to need only. The Alberta Utilities Commission will continue to be responsible for making decisions on the siting of transmission

facilities. This includes determining the specific location for individual power lines. In doing so, the Alberta Utilities Commission will continue to ensure that Albertans whose rights may be directly or adversely affected by a proposed utility development are informed of the application. These Albertans will continue to have the opportunity to voice their concerns during the review process. We strongly encourage affected Albertans to do so.

Alberta's transmission infrastructure plays an essential role in the well-being of our province, our economy, and our high quality of life. Mr. Speaker, Bill 50 facilitates continued growth in the province by making sure that we have the necessary transmission infrastructure in place so that more power is added to the grid as needed. Bill 50 sustains Alberta's success and prosperity well into the future by taking action now. Bill 50 prepares us for the future today.

Mr. Speaker, thank you for the opportunity to participate in this debate.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: The hon. member was next.

Mr. Hinman: Under 29(2)(a).

The Deputy Speaker: All right. The hon. Member for Calgary-Glenmore.

Mr. Hinman: Thank you, Mr. Speaker. The good member who spoke about Bill 50 speaks to need only and says that this is good to move in there, but for the last 50 years we've had a regulatory body that has always taken the needs process in order for all interested parties – those that generate, those that transmit, the consumers, and experts – to step in and determine the needs. Do you really and sincerely feel that Bill 50 and putting that power in the position of the Minister of Energy is going to be good for Albertans and Alberta businesses and ensure not just an efficient but an effective . . . [Mr. Hinman's speaking time expired]

Mr. Drysdale: Mr. Speaker, there's been lots of debate about the need. Lots of people say that there's no need, but I'm not sure if they're qualified to say that. I take my advice from the AESO. They're an independent body of experts in the province that say that there is a need, and I suggest there is. I don't want to be sitting in this House four years from now when the power goes off in people's homes when it's 45 below and they're freezing and they're looking at us and saying: why did you let this happen? That's why today I'm supporting this.

Mr. Chase: Under 29(2)(a) I'd like to ask the hon. Member for Grande Prairie-Wapiti if he plans to be around in the next election after his constituents receive their increased power bills. [interjection]

My second question, if not interrupted by the hon. minister of health, is the consideration: do you believe what you've said, that we're going to have blackouts and power outages, or is this just more of the fearmongering that the opposition is so frequently accused of?

4:00

Mr. Drysdale: Mr. Speaker, as I said before, I don't know about fearmongering. I believe in AESO, and they're the ones that have said that we've been reaching critical points lately. Building this kind of infrastructure takes years, so I don't want to wait till the lights go off before we start.

As far as being around at the next election, I think I have a pretty good chance at being there. But there's not going to be an increase on the power bill by 2012 anyway, so it won't be an issue then.

The Deputy Speaker: The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you. Yes. I would like to ask the hon. member what he will say to the seniors, to those that do not have jobs, that are increasingly becoming jobless in this province, and certainly to low-income. Many people are working two jobs and struggling. How will he explain any kind of an increase in their utility bills?

Mr. Drysdale: Well, Mr. Speaker, we could go on forever, but seniors will be the ones most affected if their heat goes off. I'd hate to be 70 years old with no power. The bills: I mean, they can speculate all they want, but maybe with more transmission, the rate of electricity will drop down, so their bill may be lower.

Mr. Hinman: Mr. Speaker, the hon. member said that he's relying on AESO. Would the hon. member please explain why the 2007-2008 AESO report said that we only needed one small line, about \$570 million, and now the '09 report says that we need \$5.6 billion? There's a huge gap, and the only thing that's changed in the market in that time is the fact that the people that have been taken off of the . . .

Some Hon. Members: Question.

Mr. Hinman: You're not the Speaker. Your rhetoric is just so appreciated. There was a question.

Mr. Drysdale: Mr. Speaker, I'm not sure what the question was there, but I still believe what AESO says. AESO says that today that's exactly what we need, so I believe them, and I support the bill.

Mr. Hinman: I'd appreciate being able to finish the question. AESO in a 2007-08 report said that it wasn't necessary. We had three prominent members that got off the board. Then Bill 50 has come forward. This is about a needs test. They're usurping the power of the AUC to have a needs test. So how can you say that AESO supports this when the previous four reports from AESO said that we don't need it? Only the current one does. How do you explain the change in the reports from AESO?

Mr. Drysdale: Mr. Speaker, we could go on forever. He just said that AESO's last report says that we need it. Well, times change. The economy changes. They've changed their opinion, and I agree with what they say.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar on the bill.

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. Certainly, there's going to be a lot of time, I suspect, spent addressing the questions around this bill. I hope debate progresses quickly, and I anticipate all members of the House getting their views and the views of their constituents and their respective communities on the record regarding Bill 50 before we are expected as consumers to pick up the tab.

You know, in this case we have a bill where the government, the Minister of Energy is going to call the shots, and the consumers are going to pay the bills. There's no way around this. It's clear that cabinet will have the final say on any transmission improvements or significant upgrades.

People can tell me that, you know, this bill has nothing to do with electricity exports, but that simply is not true. If you look at the bill and you look at the definitions that are included, we're talking about interties. Interties are included in this bill. A previous speaker had indicated that we are importers of electricity, not exporters, but we're both. With our shortage of electricity here now, we are at certain times of the day importing significant amounts of electricity, as much as the interties have capacity for. Other times, at night, late at night we are exporting electricity. The British Columbia Powerex Corp. is drawing our baseload generating capacity as we sleep, and they're building up their hydraulic capacity, opening their dams at peak times, and selling us back the power at a real handsome return for themselves.

This was another consequence of deregulation that this government has not thought out. But I do not want to stray from Bill 50. Hopefully, during the course of the debate I'm going to get an explanation from government members across the way. I can't remember who is the Provincial Secretary these days.

Mr. Hancock: It would be the Attorney General.

Mr. MacDonald: The Attorney General. Okay. I'm going to leave it in the hands of the Attorney General. I almost said eternity general, like this is some sort of Tory dynasty.

Mr. Liepert: It is.

Mr. MacDonald: It is. See, that's the problem. That's what you think. That's exactly what part of the problem is here. It's that attitude.

Now, earlier this summer there was an Order in Council 311/2009, which was an amendment to transmission regulation that was put forward in 2007. That transmission regulation, to be precise, is Alberta regulation 86/2007. This transmission regulation this summer autocratically, regardless of the cost to consumers, allows the minister to call the shots and then get it rubber-stamped by his cabinet colleagues. Now, it's interesting to note what this transmission regulation now considers critical transmission infrastructure, and I'm going to quote.

24.1(1) In this section, "critical transmission infrastructure" means a transmission facility that, in the Minister's opinion, is critical to the safe, reliable and economic operation of the interconnected electric system.

- (2) The Minister may determine
- (a) who is eligible to apply for the construction or operation, or both, of a critical transmission infrastructure.

So the minister may determine who is eligible. He may pick one person, one corporation. Who knows? But we have with a stroke of the pen given the minister this authority already, before we have dealt with the matters that are in Bill 50.

Now, the minister may determine also who is responsible for upgrades or enhancements to critical transmission infrastructure.

The ISO, Independent System Operator, has a role to play in this.

- (3) The ISO must have regard to a determination made by the Minister under subsection 2 . . .

which I just quoted,

. . . when carrying out the ISO's functions under the Act and regulations, including

- (a) taking into account, when preparing a needs identification document under section 34 of the Act, that the Minister has under section 24.1(2) determined the person who is eligible to apply to construct or operate, or who is responsible for upgrades or enhancements to, a critical . . . infrastructure.

So it looks like you've quietly given yourselves the authority and the scope to do this already in the middle of the summer.

I read this with interest. I brought it up at a couple of public meetings that I had the pleasure of attending, and people were astonished. They wanted copies. They were downloading this amendment to the transmission regulation. The consumers, the folks who were at this meeting, couldn't understand, if this was the process that the government wanted to follow, why we needed Bill 50. I couldn't understand why we were giving the Minister of Energy additional powers when in the past, regardless of which respective individual is in the department as minister, we can't seem to fix deregulation.

4:10

A previous speaker spoke about a competitive price for electricity in this province. Well, there is no competitive price for electricity in this province. We had some of the lowest cost electricity, Mr. Speaker, before deregulation. Now we have some of the highest in North America. We weren't blessed with a lot of hydraulic capacity like other jurisdictions. We rely on coal-fired generation for most of our base load and, of course, natural gas.

It is interesting to note that the hon. Member for Peace River spoke earlier about his interpretation of where natural gas prices were going to go, but at this point I would like to remind the House that Medicine Hat, the fine citizens of Medicine Hat, had the common sense and the good fortune of staying clear of deregulation. No one would know that more than the hon. Member for Cypress-Medicine Hat because I'm sure he enjoys some of the lowest cost electricity on his residential power bill of any member in this Assembly. The only guy that might have a lower power bill would be the hon. Minister of Environment.

Mr. Denis: Calgary because of the fees.

Mr. MacDonald: Well, Calgary has fees, and hon. member, it was this government that initiated the whole franchise. It's not a fee. It's a tax. I appreciated your questions on this matter earlier. See, Mr. Speaker, he's distracting me again, that rascal.

I would get back to comparing Medicine Hat's power bills to the consumers' in the rest of the province. They're significantly lower. One of the reasons why they're lower – and perhaps instead of debating Bill 50 here, we should consider giving Enmax some of the same authority or scope that the city of Medicine Hat now has, and that is to acquire for themselves natural gas production rights so that they can produce electricity for their citizens and also sell the natural gas for heating purposes in the winter. Medicine Hat, my research indicates, has drilling rights throughout Alberta, north of the city of Medicine Hat now, around the Suffield range. They have some nice producing wells there. They also go to Saskatchewan, southwestern Saskatchewan. They have some drilling rights there as well to supply themselves with affordable, reliable supplies of fuel for their needs. Perhaps instead of ramming this bill down the throats of consumers and just ignoring the presentation of Enmax, we should consider giving Enmax and other outfits that are interested the same deal that we provide to Medicine Hat.

Members across the way should be interested to note that not only does Enmax have a difference of opinion from others on Bill 50, but I received as one of the Edmonton region MLAs a letter from the Capital Region Board: regional action, global opportunity. This letter is dated November 12, 2009, and it's to the hon. Minister of Energy and also to the chair of the Alberta Utilities Commission. This is regarding the heartland transmission project. This is a group, the Capital Region Board, that's comprised of 25 municipalities in

our region, and they are writing to advise the Minister of Energy and the chair of the Alberta Utilities Commission of the position recently taken by their board regarding the heartland transmission project proposed by EPCOR and AltaLink.

Now, I'm not going to bore the minister of health with all the contents of this letter, but specifically I would like to point out that the capital region municipalities are writing to request, and they wish to ensure, that before any approval is given to the heartland transmission project, a comprehensive evaluation is completed that addresses need as well as economic, social, and environmental impacts on the capital region and its residents. They go on to make some other suggestions, but that's very important because it clearly indicates to me as one of the individuals that was copied on this letter that this group is not convinced, nor are they satisfied with the direction that Bill 50 is going to take this whole transmission and distribution of the electricity system in the province. They, too, have questions just like folks in other parts of the province have. I'm clear in my understanding that they are concerned about who is finally going to pay for these upgrades. If we can reduce the cost of the upgrades that have been forced on us because of the lack of long-term planning resulting directly from this government's misguided and mismanaged electricity deregulation program, then so be it. We've got to have some upgrades. Do we need \$14 billion worth? Do we need to site generation, baseload generation capacity on the edge of the load, as the electrical engineers would say? Yes, I think we have to do that.

With Bill 50 who will benefit if this is built? Clearly, the individuals with their joint-venture projects out at Keephills will benefit. Will consumers benefit? I'm not so sure. The hon. Member for Grande Prairie-Wapiti talked about his confidence in this bill and what it will mean to consumers. I don't share that confidence. I think consumers have been duped. They have been tricked by this government into thinking that electricity deregulation would improve competition and reduce costs. That has not happened.

I don't want to get off subject or get accused of being off subject, but how bad is energy deregulation? Well, a constituent came in this summer to our office and showed me his natural gas bill. He had been away for a period of a month, Mr. Speaker, and he had no energy consumed; not one lick of natural gas went through the meter. He didn't even have a pilot light turned on, but his bill was over \$30. It was the D and T, distribution and transmission, costs. It was a gas bill, but it's also a reflection of our power bills.

Consumers tell me, Mr. Speaker, unfortunately, that they feel cheated because they don't understand all the line items on their power bill. Why has this person got their hand out and why has that person got their hand out at the end of each and every month wanting more and more of my money – that's scarce as it is – when I have to pay my power bill? The only thing we know for certain with Bill 50 is that they're going to see additional charges.

Now, the hon. member, I believe, said that it was going to be six bucks a month as the tab for consumers. I read in correspondence provided by other members of this House – and I'm going to get some copies and table it – that it was eight bucks.

Thank you.

The Deputy Speaker: Standing Order 29(2)(a) allows for five minutes of questions or comments. The hon. Solicitor General.

Mr. Lindsay: Well, thank you, Mr. Speaker. If my memory serves me correctly, this hon. member in 2006 stood up in the House and questioned why we were proposing a power line from Edmonton to Calgary, suggesting that all the power was going to be exported to

the United States. Then after a brownout or close to a brownout condition in Calgary in '07, he stood up and accused the government of poor planning on building lines. Just to be clear, I wonder if the hon. member could let us know, in 50 words or less, where he stands today.

Mr. MacDonald: I certainly would. Now, as the hon. minister knows, it has been our party's policy long before even the spying scandal in Rimbey happened – and I don't know if you were Solicitor General at the time, hon. minister, or not, but what happened was that we were encouraging generation to be built on the edge of the load. If the hon. minister could understand the power system in this province, he would realize that Calgary has been chronically short of electricity because of economic expansion and population growth for some time. We suggested that you don't have to go ahead with this cadillac line between Lake Wabamun and Langdon like the government wants to build. It's going to benefit AltaLink and TransAlta. I don't know whether TransAlta gave that hon. gentleman money during the election, but I know they didn't give this side any money, and he'd better be careful.

Thank you.

4:20

The Deputy Speaker: Any other hon. member under 29(2)(a)? The hon. Member for Calgary-Glenmore.

Mr. Hinman: Thank you, Mr. Speaker. I'd just like to ask the hon. member. He's been doing a lot of research and looking at the purpose of these lines. In your estimation, because of the size of these high-voltage lines that they're wanting to put in on a short-distance span here in the province, do you believe that what they're really doing is planning and giving the go-ahead for a nuclear facility in the Grande Prairie area and, therefore, need that large line for export? Would you expand on that a little bit?

Mr. MacDonald: Well, certainly, hon. member. I thank you for that question. There's no doubt in my mind. You only have to look at the volumes of reports that have been put out by various organizations supporting this government's long-term economic plan, which is to export electricity from this province to markets as far away as California and Las Vegas. If we're not careful and we allow them, they will turn Alberta into the ashtray of North America. So we have to be very, very careful.

I'm not convinced that any nuclear reactors will ever be built, whether it's 1,000 or 2,000 megawatts, in Peace River, but I understand the proposal has been changed. If you look at the Alberta Electric System Operator's website, you will see in the anticipated projects page that they are talking about some nuclear reactors, significant in size, being built. I think they're going to be built over in Saskatchewan, east of Fort McMurray, because if you look at the latest long-term transmission systems plan . . .

The Deputy Speaker: Hon. member, answer the questions within the time limit.

Mr. MacDonald: Okay.

The Deputy Speaker: The hon. Member for Calgary-Varsity.

Mr. Chase: Yes. In terms of this north-south transmission my understanding is that two of the large coal-fired generators at the Wabamun plants are going to be shut down in the near future. Does it make sense to continue this north-south transmission, particularly when coal is becoming a less desirable way of generating power?

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you. My recollection is, I believe, that the next coal-fired baseload generating station in Wabamun to be decommissioned is number 4. I think it's about 150 or 140 megawatts; I'm not quite sure. It is going to be decommissioned. Others have already been decommissioned. It's interesting to note that when we're talking about decommissioning costs, some of those costs, not around Wabamun, at least not yet, in other areas of the province have been transferred from the previous owners or operators of those facilities to the consumers. So that's interesting. I'm straying off the question that you did ask, but we have to watch for that as well.

The Deputy Speaker: Any other hon. member wish to participate?

May I have your unanimous consent to revert briefly to Introduction of Guests?

[Unanimous consent granted]

Introduction of Guests

(reversion)

The Deputy Speaker: The hon. Member for Livingstone-Macleod.

Mr. Berger: Thank you, Mr. Speaker. I'm very pleased to rise today to introduce to you and through you to this Assembly members of the MD of Pincher Creek council and their support staff, who are seated in the members' gallery. It's great that they ended up here for another meeting today because if we could only have them down on the floor to talk to this bill, they would tell you how much wind power is locked in. Their particular MD supplies 43 per cent of the wind power in Alberta at this time. Thank you for coming out. It's an apropos time to have you here. Please rise and receive the warm welcome.

Thank you, Mr. Speaker.

Government Bills and Orders

Second Reading

Bill 50

Electric Statutes Amendment Act, 2009

(continued)

The Deputy Speaker: We now get back to Bill 50. The hon. Member for Cypress-Medicine Hat.

Mr. Mitzel: Thank you, Mr. Speaker. I'm pleased to rise today and join the debate on Bill 50, the Electric Statutes Amendment Act, 2009. Bill 50 will introduce amendments that streamline the approval process for critical transmission infrastructure. "Critical" is the key word here. Bill 50 will not alter the standard approval process for all transmission lines. To be clear, there will still be a requirement for all transmission projects to go through extensive public consultation as part of the Alberta Utilities Commission's process. Rather, Bill 50 will identify critical projects that are necessary for the continued reliability of electrical transmission in this province. After all, Alberta's transmission system has not been upgraded for over 20 years. That is what is alarming. But there's no point on dwelling on this; rather, we must move forward.

Specifically, Bill 50 lists four critical key projects that will be needed by our transmission system. First, there's a need for high-voltage lines between Edmonton and Calgary. Second, there's a need for a new line between Edmonton and the heartland region.

Third, lines are needed between Edmonton and Fort McMurray. Finally, there's a need for the creation of a substation in south Calgary to help reinforce the southern half of the province.

Mr. Speaker, it's important to point out that these projects were identified as being critical by the Alberta Electric System Operator, or AESO. I believe that in Alberta we need a stable power system that will serve our needs now and well into the future. We don't need Band-aid solutions like small local systems or regional generation. Rather, we need a robust province-wide system that not only connects the north with the south but connects Alberta more closely with our neighbours, specifically through our expanded intertie system along our borders. We need a system that ensures reliability while positioning Alberta for future population growth, and we need a system that connects all Albertans with their choice of power provider, be it coal, natural gas, or increasingly green energy like solar and wind power.

I'm sure many of the members of this House are aware that my constituency of Cypress-Medicine Hat has the potential to hold some of the largest wind farms in Alberta. Southwest Alberta has already proven itself with the wind farms located there, and many companies in southeast Alberta are standing in line waiting for approval so that they can move forward as well. Wind energy is an affordable, renewable source of energy that should play a prominent role in Alberta's overall electricity and environmental strategies.

In addition, because Alberta is a deregulated power generation jurisdiction, all Albertans should have the choice to purchase this type of green energy. However, without a developed and expanded transmission system, consumers in the northern half of our province are unable to make that choice. This green power would simply be stuck near its generation sources and only available to a small portion of the population. Really, Mr. Speaker, that's not my idea of how a grid should officially operate.

Expanded transmission lines also have the potential to green Alberta's electrical grid by reducing line loss. Line loss is a significant concern plaguing our provincial grid. In fact, it's estimated that in 2008 alone over \$220 million worth of energy was lost due to line loss. Of course, I'm speaking of our existing overloaded HVAC transmission lines. If you work the figures out, this is enough power to support 350,000 homes for one year. Essentially, upgrading our transmission lines system would reduce these losses and make sure that more of the electricity generated by our power plants – be they coal, natural gas, or wind – actually reach our homes and businesses.

Mr. Speaker, an expanded transmission system also has the advantage of increasing the reliability of our system, specifically through cross-provincial interties. As we all know, an intertie is a connection point linking our transmission system with the transmission system of another jurisdiction. Currently in Alberta we have only two interties, one with Saskatchewan and one with British Columbia. The Saskatchewan intertie is quite small, and the British Columbia intertie is old and overloaded. These interties are intended to help even out the spikes in our electricity needs. For example, in recent years Alberta has had several occasions where it needed more power than it could generate. In order to make up this shortage, Alberta purchased power from its neighbour to the west, British Columbia.

Really, to answer the point made by the hon. Member for Edmonton-Gold Bar earlier, expanding our transmission system would help to ensure that Alberta would have the power it needed without having to buy it from other jurisdictions. In addition, an expanded transmission system could also provide for expanding the amount of interties into our province to ensure that if we did need to buy power, the connections would be there.

4:30

Mr. Speaker, Bill 50 paves the way for a much-needed transmission system upgrade. It will streamline the bureaucracy around critical infrastructure needs while at the same time ensuring that there's adequate public consultation. Ultimately, I believe that Bill 50 will create an electrical system that is more efficient, more robust, and more environmentally friendly.

With that I'd like to extend my full support to Bill 50 and urge all my colleagues to do so with me. Thank you.

The Deputy Speaker: Standing Order 29(2)(a), hon. members. The hon. Member for Calgary-Glenmore.

Mr. Hinman: Thank you, Mr. Speaker. The hon. member mentioned the needs process, and I just wonder if the hon. member is aware that under the current legislation AESO is obligated, as are the companies that operate in this province, if there's a critical situation to report that to the AUC. As of yesterday – I don't know about today – there have never been any documents filed to the AUC saying that there is a critical need to go forward. If in fact there was a critical need, are you saying that AESO is not in compliance with Alberta legislation that currently exists? Or are the needs really not there, and they're just wanting to bypass this so that they don't have to have a needs document anymore, and they're waiting for that and using that false pretense?

Mr. Mitzel: Mr. Speaker, with regard to needs, I know the hon. member spoke earlier about the 2007 report that suggested that there was not a need there. Also, I had an opportunity to look at that report. I read it, and it was a Band-aid solution and certainly wasn't what Alberta needs in order to have a full gridded transmission system for the province.

The Deputy Speaker: The hon. Member for Calgary-Egmont.

Mr. Denis: Thank you, Mr. Speaker. On November 2 there was a field policy committee meeting where we heard some issues regarding transmission. One of the presenters name was Dan Balaban of Greengate Power, who indicated that three years from now and in the future a more integrated system will promote more wind power. I'm wondering if this member could comment on his views on that topic.

The Deputy Speaker: The hon. Member for Cypress-Medicine Hat.

Mr. Mitzel: Absolutely, Mr. Speaker. An integrated system allows for this because, as everyone knows, wind power generation doesn't peak at 100 per cent at all times. It is variable. Even within the province you'll find a peak time in one area of the province, where perhaps it may be another day before the peak times in another area. If you have an integrated system that has transmission all across the province, you will not only have an opportunity when there are peaks in the southwest; you'll have the peaks in the southeast. Certainly, in other areas like Stettler and in the Provost area there are times when the wind hits there. There are opportunities and also companies who are standing there to put wind farms in so that all of these can be put into the system. You have to have a line in order to move the power someplace, and that's where the integration comes in.

The Deputy Speaker: The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Speaker. I'd like to ask the Member for Cypress-Medicine Hat: exactly how does Medicine Hat keep

their utilities costs so low at this present time, and how is this going to hit them because their jump is going to be huge?

Mr. Mitzel: I'd like to answer that for the hon. member. I think that if you look back in history, certainly because Medicine Hat has had their own system, it has been low, but it has been subsidized by taxes from the province. For the last few years they've been moving to market-based pricing, and that has increased now, so it's going to be market based. So there's not going to be that advantage at all.

The Deputy Speaker: The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you. Under 29(2)(a). I forget – and the hon. member can help me out – whether it was Mark Twain or Rudyard Kipling who talked about Medicine Hat having all hell for a basement. [interjection] It was Mark Twain. The point is that Medicine Hat has had a wonderful ride based on its geographic basement for some time, and the power costs and the ability to raise revenue locally, whether it's the school board or the hospital, has been considerably greater than any other district within the province. My concern is: are you not somewhat insulated within your own power production?

Mr. Mitzel: I think, Mr. Speaker, that you would call it fiscal responsibility.

In fact, it was Rudyard Kipling; it was not Mark Twain.

As far as the costs, the city of Medicine Hat certainly has its own power generation. It also has its own gas wells. In fact, that's why Medicine Hat is there. When they were drilling a water well, they found gas, and that's what prompted the first industry, that is still going in Alberta. The longest-standing industry in Alberta is still there, and that's a brick plant. That is because of the gas that was there.

It's a bit of geographics. That's the reason it happened for them. A lot happens because of geographics, whether it's water, whether it's where there are resources. We talk about the oil sands or whatever. Geographics determine the profitability, the prosperity of any particular area.

The Deputy Speaker: The hon. Member for Calgary-McCall.

Mr. Kang: Thank you, Mr. Speaker. I'm pleased to rise to speak on Bill 50. Bill 50 would bypass regulatory need identification hearings for transmission lines deemed critical by cabinet, and it will impose billions of dollars of costs on consumers without ensuring that the projects are even needed.

According to the Minister of Energy, the sponsor, the intent of the bill is that the bill will address major challenges of how to add critical transmission infrastructure facilities to meet the needs of Albertans and the needs of our province's economy. This bill will enhance the approval process for the projects. Under Bill 50 the government will approve the need for critical transmission infrastructure and the need for, not the actual routing or siting of, those issues. This bill will set out locations for a number of required electricity transmission projects. These include 500-kilowatt direct current lines between Edmonton and Calgary and 500-kV AC lines to the Industrial Heartland region. This bill will also remove the time limit for the winding up of the Balancing Pool.

Mr. Speaker, there are regulatory processes in place for a reason, and we need to enable the public's engagement – we need the public input; we need the public consultation – before we proceed with any big projects. Public input, public consultation is just not an inconvenience. There are consumers out there, there are stakeholders out there who are opposing this unnecessary, undemocratic, and unaccountable change to the regulatory system.

Maybe the regulatory system is a long way from being perfect, particularly regarding transmission hearings, but we shouldn't pretend that simply holding public needs hearings will make everything fine. We do not think the regulators are strong enough. We have criticized the regulators and the government in the recent past for spying on concerned citizens – this occurred in 2007 in central Alberta – and for limiting the ability of consumer advocates to participate in hearings. Nevertheless, ending public interest hearings for transmission lines does absolutely nothing to address these concerns. The solution to the problem is not to avoid it altogether. We should be making the regulatory system better and having good, effective needs hearings, not bypassing the system.

Prior to the deregulation, which started in 1996, Alberta's electrical system consisted of integrated companies, which generated, transmitted, and distributed electricity to consumers. These companies were monopolies in their particular areas, in northern Alberta, Alberta Power, ATCO; in southern Alberta, TransAlta; and a number of municipalities: Calgary, Edmonton, and Medicine Hat. The Energy and Utilities Board regulated these arrangements, managing them to ensure that the prices charged to the consumers by these monopolies were fair. With the advent of deregulation companies in Alberta were required to break their operations and to separate generation, distribution, and transmission functions.

4:40

Today's electricity transmission grid in Alberta is managed by the Alberta Electric System Operator, AESO, an independent, nonprofit body. The transmission system is managed in the public interest as a natural monopoly and within the wider context of the deregulated electricity system, with private companies generating power and private companies selling it to the consumers.

AESO develops a long-term plan for our transmission system, which currently forms a key part of the regulatory process and needs hearings. In 2007 AESO put together a 10-year transmission plan, which listed that 3 and a half billion dollars in transmission needs were for the entire 10-year period. As we hit 2009, all of a sudden it's \$14 billion to \$20 billion. This projection is dramatically different from the projected needs from 2007.

Sure, Mr. Speaker, the transmission lines are required to get electricity from generation facilities to consumers, and demand tends to be located in the urban areas along with key industrial facilities. Although the largest facilities such as the oil sands, upgraders, and processing plants tend to have their own generation on-site, that demand is projected to increase steadily over the coming years.

Mr. Speaker, as the provincial population expands, energy and intense industry drive the economy. Over time the mix of generation sources, the location of demand, and the amount of demand changes. The electrical grid will need to be expanded and replaced. We know that there has been no significant addition to the transmission grid for over 10 years, so the grid we have, certainly, is not built probably for the current demand.

But the debate is not about the aging transmission lines or our rotting wire poles or the system in shambles. We're not going to have blackouts and brownouts. We haven't had any, and if there were any blackouts or brownouts, you know, that was just the mismanagement of the government, not because of the system. So all this fearmongering that we're freezing in the dark and we're freezing in the cold I think is too far-fetched.

The key point here is the cost, the money we're going to spend on these transmission systems. Sure, there is a naturally aging system that needs to be addressed, but with the new transmission coming online, that needs to be connected to a demand, particularly when it comes to wind power. The uncertainty is around where the lines

should be built, how many there should be, and when we should build them.

Perhaps the key factor is the cost. Under Alberta law transmission costs are entirely borne by the consumer, and the generators do not pay their share of the cost. So if the generators were to pay their share of the cost, you know, maybe things would be different. Here they want to have a gold-plated transmission system because they don't have to pay. Thus, it is not a surprise when generators are strong supporters of these transmission lines because it's not going to cost them any money. It will be the Alberta consumer who will be paying, but it allows the same generators to get their product, electricity, to more markets.

Those transmission lines are paid for by Albertans. Residential consumers will bear 17 per cent of the costs, farmers 3 per cent, commercial 26 per cent, and industrial 54. So while we will pay the residential share right away – and this is about \$8 that the government is stating will be on every monthly bill – all the other segments will pass their costs on to consumers, too: the restaurants, the hockey rinks, car washes. The money for these lines has to come from somewhere, and that somewhere will eventually be the consumer. The consumer will be paying more at the restaurant, will be paying more at the hockey rinks, will be paying more at the car washes.

This bill sets out three sets of transmission lines that it deems to be critical infrastructure. There would be no public interest hearing on these lines and the process that would normally take place under the Alberta Utilities Commission's regulatory system. This is because the government deems these lines to be so critical that they feel there's no doubt about the fact that the lines are in the public interest, but we have to hear it from the public if they are in the public interest or not.

The two high-voltage direct current lines between Edmonton and Calgary, one to the west of the cities and the other to the east, would create a massive backbone of electrical system between the two main centres of the province, but current transmission between the two cities would be troubled by the construction of these lines, and according to the briefing by AESO most power will be flowing south from large coal-fired generators around Edmonton to Calgary. AESO's explanation of the construction of two new lines rather than just one is that the rating of transmission capacity is based on the capacity of the second-highest line, the backup in case of transmission failure in the biggest line. If the second one isn't big as well, the system rating will be lower.

Another issue here is that high-voltage direct current is a relatively new technology, and it's not clear whether it is even the most appropriate technology for this particular use. For example, AESO's planning document says that DC for overhead lines is generally more economic than AC when the transmission distance is greater than 700 kilometres. If the DC technology is more economic only over 700 kilometres, then it is unclear why the 300-kilometre distance between Edmonton and Calgary is economically appropriate currently for DC lines. So why are we spending money on DC lines when AC lines are cheaper? Why is the government forcing through these DC lines when AESO's own document states that longer distances are required for DC technology to be economical?

It should also be noted that the government has already given two companies direction to apply for construction approval for these two lines between Edmonton and Calgary. On August 25, 2009, Alberta Energy released a news release stating that two companies had been cleared to apply for approval to construct and operate new critical electrical transmission lines between Edmonton and Calgary.

The government appears to be trying to get a head start on the part of the AUC hearing process that would remain even if Bill 50 passes such as specific siting and environmental assessment for transmis-

sion lines on a high-voltage alternating current line going from the south of Edmonton to the new substation in the Industrial Heartland. This particular line is controversial above and beyond the approval process issues discussed in this bill.

Residents now in Edmonton who live near the proposed line route have been exceedingly outspoken in their opposition to the lines as currently designed. These residents would like to see any new transmission lines buried rather than running above ground in the transportation utility corridor. They are concerned about the health issues that may arise and also the impact on their property values. So is the government planning to bury this line underground? We don't have long before the timeline in the AESO planning document, so the government must have a decision on this. How much is it going to cost? Will it be done underground, or will it be above ground? Those are the questions I think should be answered.

4:50

AESO predicts that these projects will cost \$5.7 billion. When adding already approved transmission lines to the new wind power developments in southern Alberta, the total cost will be \$8.1 billion. With the second phase of critical infrastructure that AESO is looking at within the next 10 years, the lines into northern and northwest Alberta, interties with B.C. and northern Saskatchewan, under this bill would automatically be considered as critical infrastructure.

The Deputy Speaker: Hon. members, we have 29(2)(a). The hon. Minister of Education.

Mr. Hancock: Thank you, Mr. Speaker. In the last part of the hon. member's speech I heard him ask questions about decisions on whether the lines would be built above ground or underground and what the cost implications of that would be and the need for a quick decision on that piece. I'm just wondering if the hon. member could advise whether he understands that those sorts of decisions are still subject to public hearings by the Alberta Utilities Commission with respect to routing of lines, with respect to whether they're built above ground or underground and those sorts of decision-making. Is he aware that it's still in the purview of the Alberta Utilities Commission to have public hearings and make those decisions?

Mr. Kang: How long, you know, will that process last, the public hearings? Is there a time frame put on that? That's the question I ask, Minister.

Mr. Hancock: Well, Mr. Speaker, I'm supposed to be asking him the questions. But I'm more than happy to indicate that the Alberta Utilities Commission sets its own time frames with respect to the public hearings process. Perhaps that would help him understand, then, the need for moving ahead quickly now with the critical infrastructure decision so that the Alberta Utilities Commission can get on with its process and that all the other public consultation processes can happen before a build actually starts, some two or three or perhaps four years out, that it's very necessary to start the process now by dispensing with the need for even more public consultation than the 374 meetings that the Minister of Energy referred to earlier and get on with making that decision on critical need that Bill 50 does so that the Utilities Commission can get on with its siting and cost and above ground and below ground and all those other things that are the Utilities Commission's purview.

The Deputy Speaker: Do any other hon. members wish to use 29(2)(a)?

Mr. Kang: Well, I think that under Bill 19 the government already has the power to acquire those lands for the utility corridors. My

concern is: will this erode the power of the Alberta Utilities Commission to hold hearings, you know, when we put the word "critical" in there? That's the concern I have, sir.

The Deputy Speaker: You still have two and a half minutes, hon. Minister of Education.

Mr. Hancock: Well, Mr. Speaker, I would submit to the hon. member that the clear reading of the bill – there's a question of being the determination with respect to what's critical infrastructure. Making that determination, anywhere in the bill that I read, doesn't detract at all from the power and the mandate that the Alberta Utilities Commission has to have public hearings to determine siting. Once the siting is determined, of course you have to assemble land, and Bill 19 might come into effect then. But there's nothing here that I see that detracts from the power and the mandate. The purpose of the Alberta Utilities Commission, with respect, is to determine the best route and what goes into the build, whether it's above ground or below ground, for example.

Mr. Kang: Well, section 17(2), when we change section 17 and add (2), gives the power to the government to do away with that hearing process. That's plain and clear in this, sir.

The Deputy Speaker: Does any other hon. member wish to use 29(2)(a)?

Seeing none, the chair shall now recognize the hon. Member for Livingstone-Macleod on the bill.

Mr. Berger: Thank you, Mr. Speaker. I'm honoured to rise today in the Assembly today to speak on second reading of Bill 50, the Electric Statutes Amendment Act. As we've been discussing today, Alberta's electricity transmission system is aging, congested, inefficient, and undersized. In addition, our transmission system is working at or near its capacity for extended periods of time. In fact, due to inefficiencies within Alberta's transmission system, as was mentioned earlier, \$220 million worth of electricity was lost in 2008. We've already heard that that's enough to power 350,000 homes a year. For these reasons, Mr. Speaker, the Alberta Electric System Operator, or AESO, has determined that there is a need for new transmission facilities across the province. Let me repeat that. They've determined that there is a need.

This is a good thing. It is good because it reflects the economic prospects of this province. We all know that today we are still in the midst of an economic downturn. However, it is recognized that Alberta's future is strong and that we will recover from this economic slowdown in the most enviable position in North America. Strong economic recovery does not happen by accident. This government had a plan in years past which led to the elimination of our provincial debt, put billions in savings, and substantially built up our financial assets. In addition, our low tax regime has made it known world-wide that Alberta is among the best places to invest and live. It is because of the planning and the vision of this government in years past that we are in a position today to prosper now and into the future.

[The Speaker in the chair]

Because of this economic growth projected over the next few decades, we need to make sure that we have the electrical infrastructure in place to allow for our economy to continue to prosper and expand. Bill 50, Mr. Speaker, does just that by determining the future need – let's be clear again: the future need – for the development of specific electrical infrastructure, which is of particular

importance in my own constituency of Livingstone-Macleod. My constituency and most of southwestern Alberta enjoy the warm chinook winds that compress and collect energy as they rush down the eastern slopes. This natural process is a huge advantage to the wind energy industry as it provides an ideal geographic location for wind energy developments.

Wind energy developments are developed where the wind is. You can't develop them where there isn't any wind. It won't do much for you. In fact, the Canada Wind Energy Association regards this area as one of the nation's strongest wind power regions in the country. This has led to the development of numerous wind energy projects across the southwest region of Alberta. For example, McBride Lake wind farm south of Fort Macleod is one of the largest wind farms in Canada, containing 114 turbines, which provide approximately 75 megawatts of electricity. In total this wind farm will produce about 235,000 megawatt hours per year of electricity, enough energy to power more than 32,000 homes annually. Also, Mr. Speaker, the Pincher Creek area in my constituency is known as the wind energy capital of Canada due to the significant wind energy developments around that location. All across southwestern Alberta wind energy has been providing green jobs and green power.

In the past 15 years, Mr. Speaker, we have seen a fivefold increase in wind power capacity in southern Alberta. One key element for this increase is the open market that has allowed for these sectors to grow. This open market has allowed for the most modern and technically advanced wind farms in the world. For example, the 300 kilowatt wind turbines that used to be visible on the skyline 15 years ago are now being replaced by much larger three megawatt turbines. Within a short time we have seen one windmill being able to produce 10 times more energy than in the past.

5:00

The open market in Alberta has also attracted many new suppliers to the market. Fifteen years ago we had three utility companies dominating that market. Today there are dozens of new suppliers, and the market itself has over 200 participants, many of which focus on wind power and other forms of green energy. It has become a stable added source of income for landowners as well as municipalities. An example of some quarter sections that I was familiar with in the MD of Willow Creek at a time in the past were taxed at less than \$100 per quarter per year. Now that municipality is receiving 20 times to 30 times that per tower on the quarter section along with the quarter section tax. In some cases there are up to two or three towers on a quarter section. That's quite a significant difference, and with that come the related jobs.

However, Mr. Speaker, the transmission lines in southwestern Alberta are at capacity, which has prevented the development of further wind energy projects. We heard about two weeks ago at a policy field committee meeting that one of the most vocal opponents to Bill 50 had also intervened to block the 240-kilovolt line currently under construction in southern Alberta. This was clearly done in a self-interest or to block wind power from reaching the market, not in the interest of a competitive marketplace for electricity or in the interest of utilizing more green power or providing the best-cost electricity to the consumers. Creating more transmission capacity will encourage new suppliers that can deliver power to Albertans.

The projects outlined in Bill 50, such as the proposed south reinforcement project, would allow for new suppliers to enter this market. The south reinforcement project would create two new double-circuit 240-kilovolt lines along with a new 500-kilovolt substation in southern Alberta. That reinforcement would increase the ability for wind farms to connect to the provincial power system. We currently have the Piikani Nation lands, with vast wind power development potential and with that creation of good, stable jobs, plus new power generation stream for their people, but sadly there

is no capacity on the transmission system without more reinforcement of the southern grid.

Mr. Speaker, we need to be able to introduce new power support, new participants, and encourage efficiencies. However, in order to achieve these objectives, we need to pass Bill 50. Bill 50 will allow the Alberta government to approve the need – once again: the need – for critical transmission infrastructure that AESO has determined. Bill 50 will also still allow for the AUC to conduct more public consultation. In fact, between 2007 and 2009 AESO carried out over 300 public consultations and open houses on various proposals to develop and expand the transmission system. These consultations saw over 2,000 landowners, stakeholders, and members of the general public participate. The public consultations are crucial in developing new transmission lines, and they will continue. Bill 50 will also support the future prosperity of Alberta as well as the current prosperity of Alberta.

For these reasons I support this important bill, and I urge all members of the Assembly here to stand in support of the future power supply for all Albertans and Bill 50. Thank you, Mr. Speaker.

The Speaker: Hon. members, 29(2)(a) is available. The hon. Member for Calgary-Glenmore, followed by the hon. Member for Calgary-Buffalo.

Mr. Hinman: Thank you, Mr. Speaker. The hon. Member for Livingstone-Macleod mentioned that there was a \$250 million line loss. I'm just wondering if he's aware that the standard line loss is around 7 per cent in even new constructed AC lines, which we are going to continue to run. How is spending and putting in these expensive HVDC lines going to help us in the fact that we're running right now less than 4 per cent line loss in actuality when you look backwards? I do agree with the hon. member that with the south reinforcement line, yes, there is a need there, but we still have a process under the AUC to bring forward those needs, and AESO hasn't made that application to AUC.

The Speaker: The hon. Member for Livingstone-Macleod.

Mr. Berger: Thank you. Thank you to the member across the floor. First off, I would point out to him that I said \$220 million worth of line loss, not \$250 million. In that correction I would also say that I guess we would need more cost analysis studies brought forward from your perspective to show me that and prove that fact that you're mentioning.

The Speaker: The hon. Member for Calgary-Buffalo.

Mr. Hehr: Thank you, Mr. Speaker. Just two quick questions. I note that old plans by the AESO and other things already showed the south substation being built without the cadillac upgrades to the backbone of the system. I was wondering if you could comment on these additional costs that the cadillac system provides.

Another thing. I was wondering, since you've had your members here today from Pincher Creek, whether you've had a chance to discuss with them sort of incentives like Texas is doing to incent the wind market and like Ontario is doing and how you're going to incorporate those existing incentives with what's been happening.

The Speaker: The hon. Member for Livingstone-Macleod.

Mr. Berger: Thank you. That's an interesting question. It has a couple of points. I'll go to the second one first. Now, I can't quote exactly how much is approved that is not able to get built to the transmission lines currently, but there's a significant amount of wind

power generation that has been approved throughout my constituency of Livingstone-Macleod. It needs no incentive, hon. member. The wind is where it is. To take advantage of it, you have to build in that area. There are permitted operations that are not able to be built because there's no capacity to move that. Now, does that take a cadillac system? I don't know. Moving power is moving power.

The Speaker: Thank you, hon. member.

Additional questions? The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you. I'm just wondering if you can talk to me about the rationale of bringing coal-fired power down to your wind-rich area and the loss of power in the process. Does it not make sense for your wind energy to connect to your local towns and cities such as Lethbridge rather than bringing it all the way down from Wabamun and the line loss associated with it?

Mr. Berger: Well, that's an interesting perspective, once again, because I was trying to move wind power north. I guess that in your estimation we would only be moving coal power south. It takes a mixture to have a balanced power pool to draw on so that we do not suffer any brownouts. Wind power is not one hundred per cent consistent. You do have to have backup. I think you would understand that.

I would say that in Alberta right now, out of all the power that is generated by wind, 72 per cent of it comes from the two municipalities within my Livingstone-Macleod constituency. Just for the . . .

The Speaker: Thank you, hon. member. We're going to move forward.

Mr. Hinman: The hon. member started off his speech by saying that our system was aged. I was wondering if he could bring forward some documents on the age. Many of the houses in this province are over 20 years old, and it's not critical to replace them. I'm wondering if he could bring some documents forward on the age.

I'll be happy to provide the documents showing the line loss to him later on.

Mr. Berger: Apparently, I probably could. I don't have those with me right now, obviously. But I would like to ask the member across the floor who now represents Calgary-Glenmore: does he know how much wind power is actually generated in his former constituency? I'm sure he doesn't, but I'd like to know that because it's locked in as well.

Mr. Hinman: I'd appreciate answering that. The actual numbers aren't at the tip of my hand, but I know that those lines – and I already said to you, sir, that the southern reinforcement lines are needed. That's a totally different idea than putting two high-voltage direct current lines in the middle of this province, where there is no need. To spend billions of dollars on that and declare it a critical situation isn't appropriate, and it's not in the Alberta taxpayers' best interest, and we need to realize that. Where do we need to build it? Yes, where the power is, and then bring it forward from there. Those high-voltage lines are excessive. The university of . . .

The Speaker: Unfortunately and alas, the time has expired for this little exchange.

Now, the next speaker that I have on my list is the hon. Member for Lethbridge-East, who must explain – you want to sub? Okay. Calgary-Buffalo, then.

Mr. Hehr: Thank you, Mr. Speaker, and sorry about the little bit of confusion.

It is again, as always, an honour and a privilege to get up and speak in this House, and today it's about this contentious Bill 50. I believe it's contentious for a reason. You know, although some people aren't as appreciative of the fact that the hon. Member for Calgary-Varsity has a teaching background, I am because today I learned another interesting fact from him, which was that under Alberta law the costs of putting up transmission things are entirely borne by the consumer. This decision was made, apparently, in the '90s by a former member of this House, Mr. Murray Smith, who contravened an EUB decision which said something to the effect of: some of it should be borne by the producer, and some of it should be borne by the user. I didn't know that, so I appreciate the fact that I learned this today from the hon. Member for Calgary-Varsity because it helps me with where I'm going in today's debate.

5:10

Since all of the costs are now borne by the consumer, we in this House should be concerned with what the consumer has to say. This should not only go to where we can put these transmission lines, whether we can have a hearing to hear whether we can move a transmission line 25 metres around a barn or perhaps a Quonset or perhaps a settlement nearby or something like that. Since the consumers are bearing the costs of this, they should have an opportunity to speak on whether they actually need this power.

Guess what? We had a perfect system that decided this, and this was called the Alberta Utilities Commission. At the Alberta Utilities Commission I believe what this government set up was a tribunal or a panel that dealt with hearing complaints made by both individuals and experts, where they could look at all the submissions made and hear the information presented in a reasonable fashion and make a decision on whether the taxpayer, the end consumer, actually needs the power and whether or not the power generator actually needed that market to be provided. I think it was a fair balance that recognized both the need, if there was, for producing power and the need, then, for the consumer to pay for it. It was a balance that we had struck between these two groups as to hearing the complaint.

What has happened now is that under Bill 50, or what is being put before this House, the Alberta Utilities Commission are no longer deemed the experts. You know who's deemed the experts? It's the cabinet. It's Premier Stelmach. It's the minister of health, it's the Minister of Education, it's the minister of finance who have deemed themselves experts in what Alberta's citizens need and the amount of transportation need and the amount of system-to-be-built need. I don't know. It hasn't been proven to me. Despite cabinet's credentials I don't necessarily see them as being experts on transmission lines. Maybe I'm being short-sighted in this, but I would hazard a guess that even the minister of health would grant me that they are not experts on transmission lines.

With that being the rationale, I can't help but be a little bit worried that this body is now taking away the power from the Alberta Utilities Commission and the power from Alberta citizens to voice their opinions to that body and is making the decision behind closed doors. I just can't help but say that it seems a little bit wonky or a little bit backwards that we are doing it in this fashion.

Let's take a look. I think one of the reasons we set up the Alberta Utilities Commission was to remove the political influence from this decision-making because we all know that governments can be influenced by special-interest groups, by big business, by whomever out there, and they can be strong-armed into maybe making decisions that might not be in the public interest.

We had a bit of a discussion here today in question period on that, on some of this influence. We had AltaLink, who was a sponsor of a recent Progressive Conservative convention, and EPCOR, you know, and some of these other companies. I'm not saying that it happened, but, you know, it leads the average Joe and Jane Albertan to say that, well, the timing of this and given that this Bill 50 is out there and given that the government is all of a sudden changing the rules in the middle of the game – it leads people to maybe think that something is up. I'm not suggesting that anything is, but it just leads people to believe that. I don't like it when politicians change the rules in the middle of the game. It appears like this is what is happening here. I would have preferred to have seen this go through the process that was set up. It would have allowed us to go forward with both expert and lay opinions alike and hear the opinions.

I'd also like to comment on some of the changes that are going to be coming to the Alberta landscape. These have to do with a smart grid. It's my understanding that in the very near future a smart grid is going to enable the end consumer to deal with a lot less power than they are currently using. It's by technologies that are right around the corner that can be implemented in the grid and can be put into place. Estimates are that the average household will be using at least one-half to two-thirds of the power they're currently using. Then with this technology out there – and it comes from some fairly credible sources, some scientific sources out of the United States that have been published in journals that say that this is going to be out there – it begs the question: why do we need this cadillac model?

I think that the reason for this cadillac model is because producers or generators of power, possibly people like some of the people involved, like AltaLink, like ATCO, who I believe have some shares in certain power arrangements that are going to be going up in the process and all of this stuff, want to get these transmission lines built to export power. Why not? The cost of this is being borne by the taxpayer. It's not being borne by the business unit, the people who are going to derive the profits from this. So why not? It's a great opportunity.

AltaLink: “Yeah, let's build the cadillac system. Yeah, let's do that. Of course we want this to happen because – guess what? – we don't have to pay for it. Guess what? You know, we'll tell the Alberta taxpayer their bill might only go up \$8 a month from this, but when it's all said and done, it could go up more. We've heard estimates that it could be \$200. Really, who cares? By then the transmission line is built, we're going to be exporting our power, our shareholders will be happy, and all of that stuff. Really, that's the taxpayers' problem.”

Now, I'm hopeful that that doesn't happen, but I'm thinking that if I'm AltaLink and these other organizations, I'm going to be pretty excited to have these things going on and to have the government or the cabinet make this decision for me. Again, I think big business is going to be happy with this decision, but I don't know if the Alberta taxpayer is going to be happy with this decision at the end of the day. I go back to the fact that that's why we had the Alberta Utilities Commission there in the first place: to guard whether it's big-business interests or Joe and Jane Albertan's interests as to what is happening here in Alberta.

I think that process is being undermined here, the traditional voice where people can go and say what they want at these hearings and hire experts. I'm telling you that it wouldn't be easy to host all these hearings on when power plants were going in or whether they were needed or not. It wouldn't be easy, but at least people would have a voice. Sure, this process may get it off the books by Christmas and say that you had your opportunity and that it was a decision that was made and yada yada yada, and we move on. But is the easier decision always the correct one? In this instance I don't think so. I think that the people of Alberta are not going to be well served by it.

I thank you for giving me the opportunity to speak to this bill, and we'll move on from here.

5:20

The Speaker: Hon. members, Standing Order 29(2)(a) is available.

There being no activity, then the hon. Member for Whitecourt-Ste. Anne.

Mr. VanderBurg: Thank you, Mr. Speaker. It's been an interesting topic in my constituency. I have a pretty large load with the newsprint mill, the pulp mills, the sawmills, and medium-density fibreboard mills and a lot of concerns because all of those forest industries right now are operating on tight margins and are having difficulty staying in business. So a lot of concerns have come to me, specifically from Ron Stern, the CEO and president of Alberta Newsprint, located just outside of Whitecourt within Woodlands county. He asked some very pointed questions, and I need the help of the minister to get some clarification on some of those statements. Maybe later on in the minister's statements or in Committee of the Whole he can clarify what Mr. Stern asked me.

Before I ask the question, I want to read to you part of a letter that Mr. Stern wrote. He states:

Energy is our single largest cost. In 2008, [Alberta Newsprint] consumed 825,000 MWH of electricity. The increase would mean an additional cost of over \$12,000,000 per year or \$50 per tonne [to the] newsprint production . . . These electricity rate increases would transform us from a low cost producer to a high cost producer.

This huge increase will imperil Alberta Newsprint's viability and that of numerous other industrial firms that utilize large amounts of energy . . .

While we can speak with certainty about the impact of such a cost increase for the viability of our business, we can only raise very serious questions about the wisdom of the proposed massive expenditure. While we accept that some transmission enhancements are required . . .

And he states that he's not against transmission enhancements, that they are required.

. . . based on the advice we have received and reviewing AESO publications we are, among other matters, not satisfied that . . . the lowest long-term cost solutions have been properly evaluated and selected.

He asked me: will a ratepayer oversight committee have an opportunity or role in going forward? So I'd like some clarification from the minister on that.

The other point that Mr. Stern makes, and he offers a suggestion:

The single circuit 500 kV AC transmission facility between the Edmonton and Calgary regions [could] be built with direct current towers and wired to allow for future DC operation. Any reconfiguration to DC operation will be linked to key milestones and will provide for inverter stations to be added on an as needed basis.

So he's talking about a staged idea. Again, if the minister can clarify whether a staging of Mr. Stern's suggestion would make sense or could be considered through this bill.

I think, secondly, like most issues, Mr. Speaker, it comes down to dollars and cents and who pays. Mr. Stern and others in my constituency are concerned: who pays? He writes again:

If the undertaking contemplated by Bill 50 is to proceed, then preserving a multitude of jobs across a variety of industries in Alberta must be an important factor in defining who pays for the \$14 billion cost of that undertaking. Alberta's industrial users simply cannot afford . . . and should not be required to pay for transmission capacity that may not be needed until decades from now.

He asks: can a more equitable sharing of costs and benefits be developed if the economic base of Alberta is to be preserved and broadened?

I guess that's the issue that I struggle with. I want to make sure that the vision premium in this bill – you know, can we build for a decade, or can we build for two decades? – is something that we can do while ensuring that Alberta's only newsprint mill remains open and competitive. Companies like Millar Western in Whitecourt, that has been a family business since 1921: can they continue to be competitive? West Fraser, an operation just outside of my community and within Woodlands county, a massive investment in a modern sawmill, medium-density fibreboard, are competing against companies all over the world, and some of those companies that they're competing with have very low-cost energy.

I guess the concerns from my constituents are simple. We know that if the transmission system wasn't upgraded and wasn't built back in the '60s and '70s to allow these companies to locate, we wouldn't have had the prosperity that we do in my constituency. They understand the need to plan the system; they understand the need to have a good, robust transmission policy and a grid, a grid that's intertwined into neighbouring provinces, maybe even intertwined, like the Member for Livingstone-Macleod talked about, into the U.S. so we can get some of their power up into Alberta. Nobody is arguing those points.

I think it comes down to the simple question of who pays? Can we keep that Alberta advantage going within my constituency, within an industry that's very tight today? I hope that the minister can cover off those points so I can go home this weekend and give them the assurance that, yes, the lights will remain on, yes, we'll remain competitive, and this bill will allow them to keep operating with a profit margin, which is good, and will allow them to make the necessary investments in their mills to remain competitive over the next decade or two.

Thank you, Mr. Speaker.

The Speaker: Hon. member, before we go to 29(2)(a), there were several quotations from a document, that I hope the member will be prepared to table in the House tomorrow at the appropriate time.

Mr. VanderBurg: I have the necessary copies.

The Speaker: Okay. You can do that tomorrow, then. Standing Order 29(2)(a) now.

Mr. Chase: Very quickly, a comment rather than a question. I appreciate the questions that you asked, and I, too, and members of this caucus are looking for those answers. I think Albertans in general are looking for that sort of assurance that there is some thought behind this.

The Speaker: Hon. Member for Whitecourt-Ste. Anne, do you wish to participate?

Mr. VanderBurg: Well, it was a comment. I can tell the member that, you know, I had the opportunity to work on pieces of the transmission policy. I do understand that we are one of the poorest interconnected jurisdictions in North America as far as being able to rely on our neighbours' strengths and weaknesses so we can share generation and share time and maybe shave some of the peak. I do understand his concerns, and I think I made my points very clearly.

The Speaker: The hon. Member for Calgary-Glenmore.

Mr. Hinman: Yes. I'd like to thank the hon. Member for Whitecourt-Ste. Anne for bringing to the House here an actual situation where things are put in jeopardy if things aren't done correctly. I think that's exactly what everybody in this House that

has been speaking against this bill has been trying to address. Under the old system the Alberta Utilities Commission would go through a needs process and such advocates of that can go forward and show that and balance it out. I believe we're making a major error, and I don't want to compromise the good member's situation, but by taking that needs process out and putting it into the minister's decision, we've bypassed a system that has worked and served well, as you said, to develop your own area years ago. Would you be able to comment on that at all?

Mr. VanderBurg: Well, I understand the comment that the member has made, but I also understand that we've had lots of consultation with Albertans. We've had hearings all over this great province about the need to expand our transmission system, about the need to talk about local distribution, and the need to tie in wind power and tie in all forms of energy. But it's time to get to work. You know, we can have hearing over hearing over hearing. We've created a cottage industry that goes to hearings and fills out a form for expenses. I don't think that's what we ever envisioned when we talked about a well-communicated system that moves on and allows us to build.

Thank you, sir.

5:30

Mr. Hinman: I guess I'd have to agree that we don't want the cottage industry, but to take away that needs process, Mr. Speaker, takes the experts out of the situation. Not just public consultation – that's fine – but to actually have a process where people can appeal if, in fact, they haven't been able to put forth their needs and applications. That's the problem with this bill. It's basically taking it out, it's centralizing the power and the decision-making into the minister's office, and it isn't going to serve the best needs, necessarily, of Albertans. But it may be for those companies that want to have the ability to expand their power lines.

The Speaker: Hon. member, would you like to comment?

Mr. VanderBurg: Well, thank you, Mr. Speaker. Again, given the time that we have, I can say that I believe the need has been discussed very thoroughly in the province of Alberta: the need for a robust transmission system, the need for the system to be able to accommodate growth. I think this year alone we've had 50,000 new Albertans come to our province. You know, they'll come here looking for work, looking to turn their lights on when they go home at night, looking for an industry that has the surety that the power will remain on. I think all that need has been determined.

The Speaker: Others to participate?

Then I'll call on the hon. Member for Lethbridge-East with some degree of reluctance.

Ms Pastoor: Thank you, Mr. Speaker. Yes. Certainly, I owe you an apology and an apology to the House because I did not ensure that I was available for 29(2)(a), which followed up from yesterday afternoon. So I do apologize for that.

The other time that I actually missed by not being in the House was when the Minister of Health and Wellness and the minister of finance got back to me so quickly with answers to my questions. I guess I'm going to have to pay a little more attention to what I'm doing.

With that, Mr. Speaker, I assume that I may go forward?

The Speaker: Proceed.

Ms Pastoor: Thank you. This is a very interesting bill. I sat on municipal council when the deregulation went through the first time around for electricity, and it was very, very confusing. We thought we understood what was happening, and the next thing we knew, the rules were all changed again. I think it took years – I'm going to say at least two years – before it finally ironed itself out where, in fact, not only the people like me, who are certainly not electrical engineers, really understood what was happening. We have very knowledgeable people at the city of Lethbridge, and they struggled with how this was actually shaking down. But in the end the prices went up.

Deregulation is not good for taxpayers. One of the areas in deregulation was, as I say, the deregulation of electricity. I think that, clearly, we have to know that wasn't very successful. The deregulation of long-term care has been less than successful. The deregulation that allowed asset-backed commercial paper into this province I think was exceptionally not successful.

Having said that about deregulation, probably whether we like it or not, it is here. I'd like to perhaps go back and wish that we were in the past because when I speak to people in Manitoba, my family in Quebec, they are appalled at what we pay for electricity, and they're appalled at the fact that we don't own our own utilities and that we will get no return as a citizen of this province when we have to start paying the full cost. There was nothing wrong with half-and-half. There was nothing wrong with companies getting half and us getting half.

One of the other things that we could think about is that I believe that in the future – in fact, it might only be a matter of time – these lines will be bundled and sold, and who will buy them? Will they be people from China, India, Saudi Arabia, the U.S.A.? Who knows who will own these lines that we, the citizens of Alberta, will continue to pay for? I don't have problems if those lines are bundled and sold although I think we have to look at the mess that the subprime mortgage in the States created by bundling things to sell to other groups. I don't have a problem if the lines are sold, but I do have a problem that as a citizen of Alberta I'm not going to get some return. I believe that I should. I think that we could go to the table and be a shareholder and run it as a business. There's no reason that we as citizens of this province should not be shareholders in what's going on in our own province.

We will be getting electricity. Yes, we will. We will be getting heat, which will be based on the electricity that has to blow the fans to get the heat through our houses. But at what cost? What cost to the citizens of this province will these transmission lines be? Will we lose companies to Saskatchewan? Yes, we will lose companies to Saskatchewan. Will we lose people to Saskatchewan or B.C., or will people return to some of the other provinces that they came from? I believe that they will.

The other deep concern I have is that we do see the joblessness going up in this province. We do see people who have marginal jobs, people who often could live at least a decent lifestyle by working in telephone centres. They did the collections for local companies. They may be doing classifieds for newspapers. They may, in fact, even be selling insurance for someone like perhaps Sun Life. Those jobs, Mr. Speaker, are disappearing rapidly. They are disappearing to the Philippines, they are going to India, and they are going to Taiwan. Where are these people going to find jobs? My concern is that if they don't have a job and they are struggling, when their electricity bills go up, they're going to be struggling even more.

Seniors. We are encouraging seniors to stay in their homes as long as possible. As Murray Smith pointed out in his, I thought, very arrogant and condescending manner where he said, "Wear sweaters," trust me; the seniors are now wearing sweaters. They are wearing them already. Is the next question, the next remark, "Wear

two sweaters and long johns"? No. That is not what we should be saying to our seniors, people on fixed incomes, or those that work in marginal jobs that often have to work two jobs just to be able to exist. So I think there's a number of social questions that are around these transmission lines.

I've basically spoken about the residential side of things, and I don't think it's only a serious concern for the residential. I think that we're looking at industry. I think that we're looking at, as the speaker ahead of me has pointed out, small business. Our businesses are going to suffer, especially those that have very, very tight margins at this point in time. I think we can probably extrapolate that to some of our farm operations as well. It's going to weigh heavily on industry. It's increasing their operating costs.

5:40

The following that I'm going to quote is from a white paper by the Industrial Power Consumers Association of Alberta, a group that uses approximately 35 per cent of the province's electricity in different sections, including gas and oil.

As it is currently established, Bill 50 will result in power costs that limit new oil and gas project viability and force other industries to relocate to jurisdictions where electricity is much more cost-competitive. If Bill 50 passes without modifications, large-scale Alberta industry will look to self-generate electricity, leaving residential and commercial consumers to pay for a considerably larger portion of this new and largely unnecessary transmission infrastructure.

I think that for people in Manitoba, Ontario, and certainly in Nelson, B.C., their dream is to get off the grid: please, let us get off the grid. I think we are going to see more and more of this kind of thinking. All we have to do is look to Ontario where the fellow has taken his farm – and I don't remember the exact number of acres that he has taken out of creating food to make a solar farm. He lives off the grid, on top of which he sells back to the grid. I think we're going to see more and more of these innovative, local kinds of ability to make electricity. In California many, many people have solar panels on their garages. The idea is to get off the grid, and now we are trying to make this huge monster grid. And I think it's pretty clear that what we're doing is creating a grid for export.

One of the things where perhaps I got the idea that these lines, of course, will be bundled and sold in time is the MATL line that is running from Lethbridge to Great Falls, where, in fact, they say the electricity created by wind farms in both Canada and the United States will go back and forth. I don't think that's probably true for a minute. I think it'll all be going south. But the point is that that line was sold three times before a shovel even hit the ground. In fact, it's still before the courts whether they're going to go ahead. There's a new wrinkle in how the people are trying to fight that MATL line. [interjection] As my hon. colleague has pointed out, it's in the hands of the lawyers, so I'm sure that it will not be simple. I'm sure that once we've got the lawyers in there, it'll become so complex that they can probably hash around this for a long time.

One of the interesting things that they have brought forward, the argument that was used, is that this is for the public good; therefore, we should be able to go in and take your land for the public good. But the argument is that the profit is not to the public. The profit is to a private company. So the question is: does a private company, whose profits will go straight to them, have the right to take public land and call it the public good?

Mr. Liepert: Shame.

Ms Pastoor: That's right. I totally agree with the Minister of Health and Wellness. It is a shame. Shame, shame, shame. [interjection]

I didn't hear that, but by the way one of my other colleagues is laughing, I have to assume it was clever.

One of the examples that I could use from the last deregulation fiasco, in my mind, is my electrical bill from my cabin. Prior to deregulation if I didn't use any electricity – i.e., I turned it off at the pole – I wasn't charged for it. I still turn the electricity off at the pole – I'm not using electricity – and my bill is now \$30 a month. So thank you for deregulation. My bill went up, and I'm not really getting anything. However, the nice young lady at the end of the telephone, when I complained about that, said that I was paying for the poles and the wires. I wanted to explain to her, but I realized that she was far too young to understand that, in fact, I owned the pole and I owned the wires, which I put in 40 years ago. That argument didn't stand. However, I'm still paying the \$30.

When I look at my own bill, my city bill, I'm paying \$4 for electricity, and I'm paying another \$22 for the three companies that have been created through deregulation that all need a profit, which is why these bills have gone up.

I'm not sure just where this is all going to end up. I think that, clearly, the numbers are here and that this will pass through. They've assured us that we'll be having public hearings. I'm not sure, after some of the other things that have happened in public hearings, that I particularly trust that process.

Some of the other questions I think deserve to be answered. AESO has said that, yes, we need it right now. I'm not sure that I totally agree with that. Because I'm not an electrical engineer, of course, I can't sit at the table with the electrical engineers and necessarily argue that with any sort of scientific degree of credibility. The question is: is this really going to be a smart grid? I think there are other, smarter ways.

The Speaker: Hon member, thank you. The time has now expired. Standing Order 29(2)(a) is available. The hon. Member for West Yellowhead.

Mr. Campbell: Thank you, Mr. Speaker. I'd just like to ask the hon. member a couple of questions. First of all, she mentioned Ontario and Quebec. Of course, I came from Ontario, so I'm quite familiar with the province. I'm just curious if she's aware of the tax structure that's in Quebec and Ontario as compared to the tax structure in Alberta for citizens.

I'd also like to know if she's aware of the debt that's been accumulated by the Crown corporations in both Ontario and Quebec that deal with the hydro situations of both of those provinces.

Ms Pastoor: Well, I think that the citizens in Ontario and Quebec are very aware of the debt that they're paying for, and they are also very aware that they have cheaper electricity. But I think the thing that's important to them is, yes, they have a debt, but they also own their utilities. I think that sometimes when you own it, you aren't afraid to take the debt. Clearly, this province is going into debt. We are going into debt to put these transmission lines up, so we're not going to be any different. We will have a debt, but we won't own the utility. I think that may be the difference.

Mr. Griffiths: I'm wondering if the hon. member would clarify where we're going into debt when there's \$17 billion put away to cover off the surplus. Where does she figure this debt is coming from?

Ms Pastoor: I think there's a lot of personal debt that's going to come up. The personal debt in this province already is quite high, and I think that this is going to push people into – if all of our citizens are in debt, it does reflect over the whole society.

Yes, we do have the \$17 billion, but I think we've pretty much spent that if we look at some of the other things that we're doing. We will be going into debt when we start selling the capital bonds. That is a debt.

The Speaker: Others? Hon. Government House Leader, were you getting involved in 29(2)(a)?

Mr. Hancock: Only from the sidelines.

The Speaker: Hon. Member for Edmonton-Centre, are you getting involved in 29(2)(a)?

Ms Blakeman: Yes. Thank you.

The Speaker: Proceed.

Ms Blakeman: The member was talking just before she stopped on a subject I was particularly interested in. Now I've been distracted by the other folks. I'm sorry. Was it on . . .

Ms Pastoor: Smart grid?

Ms Blakeman: The smart grid. Can you just expand on that, please?

5:50

Ms Pastoor: I think that using the term "smart grid" is something that should be looked at. Is this really going to be smarter, or are we actually using old technology? I mean, clearly, part of this is old technology when we are going to lose so much because of the transmission over the great distances that both the east and west lines will be having.

There are better ways. I think there are better ways, and clearly there are people in my area who don't necessarily think they need it – I'm not speaking about the wind people – because they're going to go along the same lines as what Enmax is proposing. Now, however, they want a small nuclear generator to be able to push the electricity for southern Alberta, which is another whole question unto itself. But I do think there's a smarter way.

The Speaker: Maybe we'll get to it in the next answer should you be asked another question.

Section 29(2)(a) is still available. No further participants?

Then I'll recognize the hon. Member for Edmonton-Rutherford.

Mr. Horne: Thank you very much, Mr. Speaker. I appreciate the opportunity to participate in second reading debate on Bill 50. There are any number of points that I could choose to reply to that have been made so far in debate this afternoon, and I will get to some clarification that I think is needed for the benefit of members opposite a little later in the speech.

In particular to the question of the determination of need for critical transmission infrastructure, I think what many members opposite fail to appreciate is that, in fact, the determination of need is actually a function of government. For example, in the case of the education system or our transportation infrastructure or our health care infrastructure I have yet to hear members opposite question or do anything but gratefully accept when government determines the need to provide for these and, in fact, to look beyond the term of our individual mandates as members and look to the future and plan accordingly for anticipated needs in the province to support growth, to support the livelihood and an improved quality of life for our own people. That is, I think, Mr. Speaker, the higher principle that's involved in this debate.

I want to talk for a few minutes about some features of the bill that appear to have been overlooked by our hon. colleagues opposite. First of all, Mr. Speaker, the bill does not remove the requirement for the Alberta Utilities Commission, or AUC, to approve the siting of critical transmission lines. Therefore, directly impacted landowners would still have the opportunity to present their concerns during a fair and open hearing conducted by the AUC.

Secondly, the Alberta Electrical System Operator has determined a need for critical transmission infrastructure, as has been pointed out by members on this side of the House, and Bill 50 would assist in ensuring that this need is met.

Also, Mr. Speaker, I'd like to remind the House that AESO is a not-for-profit entity. It is independent of any industry affiliations, and it owns no transmission or market assets. Therefore, the allegations of vested interest or potential bias on the part of AESO are clearly unsubstantiated. Furthermore, AESO is governed by an independent board which provides advice and direction for market participants. It has a diverse background in finance, business, electricity, oil and gas, energy management, regulatory affairs, and technology, all very important spheres of expertise which this government has drawn on and would continue to draw upon in the future in making determinations of need under this proposed legislation.

AESO has the statutory mandate, the resources, and the technical expertise to prepare long-term transmission system plans for this province. I think I would agree with hon. members opposite who have suggested that as individuals members, notwithstanding the impressive professional backgrounds represented in the House, none of us really have the expertise to do that on our own. Mr. Speaker, we can second-guess and we can question the need. However, that is a huge risk since electricity is so intricately linked to our province's economic growth as well as our daily lives.

Thirdly, Mr. Speaker, electricity is, quite simply, a need. It is not a want. The government has a serious responsibility to ensure that critical transmission infrastructure is in place, and this bill would help us to carry out that responsibility. All Albertans require transmission lines. As I pointed out earlier, they are as necessary as hospitals, schools, and roads. The obligation on the part of government to determine current and future needs beyond the electoral mandate of any of us is just as justified. In fact, as many of my colleagues have pointed out, if there is no electricity to power these buildings, and if we cannot light our roads and highways, then they are of consequently no use to Albertans. Transmission lines are vital for the province's economic growth, and Bill 50 would help ensure that Alberta has the transmission in place to support and sustain our future prosperity.

The provincial policy of an energy-only market requires transmission to lead generation, not the other way around. This means that without transmission lines there are no incentives, Mr. Speaker, for companies to build generation plants, which ultimately leads to less competition and freedom of choice for Albertans. I ask members of this House: is this something we should risk? Is this an oversight we are elected to tolerate at the whim of the individual agendas of a minority of stakeholders when the majority clearly supports this government's intent to build more transmission capacity? Some of these stakeholders include the Alberta Federation of Rural Electrification Associations, the Independent Power Producers Society of Alberta, and the Capital Power Corporation.

Mr. Speaker, Alberta is currently a net importer of electricity. We have been so since 2002. The province does not produce enough power on a continual basis to meet the needs of our industries,

business, residents, and farms. This is unacceptable, and it is unbecoming of this House to pass up the opportunity to provide legislation that will anticipate and meet those needs into the future.

The 2009 long-term transmission system plan states that existing transmission facilities in the northeast were near or at capacity as recently as 2008. This is not good for our economy or our future. Bill 50 would address this issue by ensuring that critical transmission infrastructure is in place ahead of increased demand and planned generation, allowing for future growth. Mr. Speaker, quite clearly, the debate and the ultimate passage of this legislation is our responsibility as members of this House. We cannot ignore the facts.

This brings me to my fourth and final point. The proposed Edmonton to Calgary project addresses reliability issues for consumers in south and central Alberta. The lines have the potential to incorporate biomass from the forestry and waste industries in western Alberta and Grande Prairie and large hydroelectric facilities in northern Alberta. The Edmonton to Calgary project also has the potential to provide capacity for the connection of wind power, as pointed out by my hon. colleague, in southern Alberta so that all Albertans can benefit from competitively priced, clean energy.

Lastly, the power that exporters pay for the use of the transmission system is for when they export power. The rates paid by exporters are included in AESO's tariff, which is approved by the AUC. The payments made by power exporters for the use of transmission lines offsets the cost to Alberta customers for the transmission system. The rate the exporters pay for the use of the transmission system is very similar, Mr. Speaker, to the rate Alberta customers pay for similar levels of service across the province.

Mr. Speaker, our province is not the same today as it was 20 years ago. We will not be the same 20 years hence. The population and our economy continue to grow. This has continued to put a strain on our transmission system. We need to rely on facts to determine the need for new transmission lines. I do not, like my hon. colleagues, want the future of this province to be at the mercy of a 20-year-old transmission system.

Thank you very much, Mr. Speaker.

The Speaker: Hon. members, 29(2)(a) is available. The hon. Member for Calgary-Glenmore.

Mr. Hinman: Yes. I'd like to ask the hon. member. You mentioned the expertise of the people on AESO and their background, and then you compared that to the cabinet and their credentials. My question is: are you saying that we're better off to put the needs process – because they're going to say the direction, the amount, and everything else at AESO, yet we're going to have cabinet determine whether or not the needs are necessary. Do you really believe that that is going to be in the best interest of Albertans?

The Speaker: Hon. members, the clock will quickly turn to 6 o'clock, and I must advise that the House will now adjourn until 7:30 this evening. However, I'd ask the hon. Member for Edmonton-Rutherford, recognizing there's still some time left under 29(2)(a), to be in his position tomorrow as we kick off further debate on Bill 50 – or tonight, whenever it is – to fulfill that obligation to the House.

The House stands adjourned until 7:30 this evening.

[The Assembly adjourned at 6 p.m.]

Table of Contents

Introduction of Guests	1855, 1865, 1876
Members' Statements	
Edmonton-Mill Woods Constituency Awards	1856
Alberta Tourism Awards	1856
Legacy Magazine	1856
Canadian Patient Safety Week	1857
Alberta Rhodiola Rosea Growers Organization	1857
International Day for Tolerance	1865
Oral Question Period	
Health Facility Administrative Cost Savings	1857
Lobbying Government	1858
Bitumen Exports	1859
Provincial Spending	1859, 1864
Support for the Horse-racing Industry	1860
Submetering for Energy Use	1860
PDD Funding	1860
Municipal Franchise Fees	1861
Postsecondary Education Costs	1861
Pharmaceutical Strategy	1862
H1N1 Influenza Immunization Costs	1863
Didsbury Hospital Helipad Closure	1864
Executive Salaries and Travel Expenses	1864
Presenting Petitions	1865
Introduction of Bills	
Bill 62 Emergency Health Services Amendment Act, 2009	1866
Tabling Returns and Reports	1866
Government Bills and Orders	
Second Reading	
Bill 50 Electric Statutes Amendment Act, 2009	1866
Division	1871

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