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First Session

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The Honourable Gene Zwozdesky, Speaker

Legislative Assembly of Alberta
The 28th Legislature
First Session

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Legislative Assembly of Alberta

7:30 p.m. Tuesday, November 20, 2012

[Mr. Rogers in the chair]

Government Bills and Orders
Committee of the Whole

Bill 2
Responsible Energy Development Act

The Chair: Hon members, I'll call the Committee of the Whole back to order. We are continuing with debate on Bill 2, amendment A9.

I'd look for the next speaker. I recognize the Member for Airdrie.

Mr. Anderson: Thank you very much, Mr. Chair. Obviously, we're back on Bill 2 here, the Responsible Energy Development Act. Everyone is getting back settled from dinner. We're on A9 with regard to the amendment. I believe this is an amendment put forward by the hon. Member for Edmonton-Centre. Just to review it real quickly, it is moved that Bill 2 be amended in section 16. So if we go to section 16, which currently is talking about disclosure of information to the minister, the amendment is asking us to strike out subsection 1, which currently says:

> The Regulator shall, on the written request of the Minister, provide to the Minister within the time specified in the request any report, record or other information, including personal information, that is specified in the request.

It is being suggested that we change that to:

> The Regulator shall, on the written request of the Minister, provide to the Minister within the time specified in the request any report, record or other information, including personal information if the person whose personal information that is specified in the request consents in writing to its disclosure.

Then, under subsection 2 adding subsection 2.1, where it would say:

> Where the Minister makes a written request under subsection (1), he or she shall make the request publically available.

I really like the intent under which this amendment was brought forward because it does speak to a real problem with regard to this idea in society that we should be allowing the government to have essentially unfiltered, unbridled personal information. We always think that when these laws are passed or when we write these laws: "Well, we would never use this for harm. We would never use this for anything nefarious." But the fact of the matter is that governments around the world have used their authority when they have this type of authority to compel personal information like this. If it's not this government that chooses to abuse this, then it could be a future government.

I think it's very important that we really make sure that when we pass these pieces of legislation, we do everything in our power to make sure that there's no room for abuse of power if at all possible or to keep that room for the possibility of abuse of power as small as is justifiable. I don't think the legislation as currently written does that. I think that it's quite a broad power. If you look at it:

> 16(1) The Regulator shall, on the written request of the Minister, provide to the Minister within the time specified in the request any report, record or other information, including personal information, that is specified in the request.

That is a very broad power, and it's unnecessary, frankly. Why should the regulator on the written request of the minister be able to compel any type of personal information that they want?

I'm trying to be open minded about this, but as you look into subsection 2 – please point it out, minister, if I'm missing the clause that should be in here – there's no restriction on that power at all. As you look at it, one has to wonder if there's going to be no restriction on the power of the minister to compel personal information. I mean, what could that include? If you notice, it doesn't say "relevant information." Perhaps we should put that in there, members of the government. Just at least keep it relevant, because right now, as it reads here, there are no limits. They could compel medical information under this. They could, Member for Calgary-Mackay-Nose Hill, who's a lawyer and a very good parliamentarian. I read this, and on the face of it, I see absolutely no restrictions on the power that's being granted under this. This is section 16(1) of Bill 2. It could be medical records; it could be school records; it could be any record. A personal record or personal piece of information could be requested under this clause.

Now, I'm not saying that it's the intent of the government to do so, but then why give the regulator that kind of power, and why give the minister, frankly, that kind of power to be able to compel such information? That's a little bit disconcerting, I would imagine. If there's a limitation in here that I'm missing on that, please point it out to me. I'd like to know what it is. If it's reasonable, if it somehow narrows or contains this power, then I think we can agree to it. On the face of it, if it's saying that the minister can request any type of personal information, that's pretty scary. That's really scary.

Obviously, the Member for Rimbey-Rocky Mountain-Sundre has had some first-hand exposure to how disconcerting the power of the state can be with regard to the well-documented and well-publicized case of the spying scandal on landowners. That's bad enough, but this seems to say that the government, the minister, if they wanted to, could just request any personal information. We have former police officers in this Chamber that could speak to this. We've got certainly quite a few lawyers on the other side who could speak to this. [interjection] Well, I mean, exactly. You're the Solicitor General of the province. Does this not concern you? Does this section not concern you? Section 16: the minister within the time specified can request any report, record, or other information, including personal information, that is specified in the request. That doesn't concern you at all? Bueller? Bueller? Bueller?

An Hon. Member: He's over there.

Mr. Anderson: Oh, no, not Bhullar. Bueller. I'm not asking him another question for a long time.

This is a little bit disconcerting, for sure, so what the Member for Edmonton-Centre is suggesting, I think, is very reasonable. Again, if this isn't the right language, by all means – we have subamendments that are allowed on the floor, so let's have the government bring a subamendment to bring in language that they're comfortable with. What the Edmonton-Centre member has said gives the regulator the power:

> . . . on the written request of the Minister, provide to the Minister within the time specified in the request any report, record or other information, including personal information if the person whose personal information that is specified in the request consents in writing to its disclosure.

In other words, they can request any report, record, and other information, but with regard to the personal information the person has to give their consent. I think that's a reasonable restriction. If it's not, if there has to be something more narrow or it has to be more clearly delineated, what we're talking about here,

then fine. I think we'd all be willing to hear what the government could come up with with regard to a subamendment on this. I just don't see how we can support a bill that gives such broad, sweeping powers.

I would just ask members opposite for somebody to please speak to this and why it's in here. That would be a good first step. Why it's in here, and what restrictions are on this other than just the goodwill of the minister, because that – I'm sorry – is not good enough. This Energy minister might surely be a man of integrity and honour, but there is no guarantee that his successor will be. We've got to always think about that when we pass these laws. Heck, you know, who knows who could be in charge? I mean, the Member for Little Bow could be the Energy minister one day. Do you want him to have this power? Really? I don't know about that. I don't know

7:40

Anyway, I'd like to see what other members have to say to this. I think it's a good amendment, and I hope the government will bring a subamendment that they're comfortable with because it's inexcusable to pass this as currently worded.

The Chair: Thank you, hon. member.

Before I recognize other members, might we revert briefly to the introduction of guests?

[Unanimous consent granted]

Introduction of Guests

The Chair: The hon. Member for Vermilion-Lloydminster.

Dr. Starke: Thank you, Mr. Chair. It's my very great pleasure to introduce to you and through to you to all members of the Assembly 23 young people who are in attendance tonight as members of the Forum for Young Albertans. This group of young people are on a week-long program to study democracy, to learn about various facets of public and democratic life in Alberta and in Canada. We had supper with them, and I think we can be very confident that the future of our province is in very, very good hands, especially given that four of these young people are from the highly democratic constituency of Vermilion-Lloydminster. I would ask at this time that they along with their chaperones rise in their places and receive the traditional warm greeting from the members of this Assembly.

The Chair: Thank you, hon. members.

Bill 2
Responsible Energy Development Act
(continued)

The Chair: We are discussing Bill 2, amendment A9, and I'll recognize the next speaker. The hon. Member for Strathmore-Brooks.

Mr. Hale: Thank you, Mr. Chair. I think maybe I can answer the hon. Member for Airdrie. The hon. Energy minister has given the same answer twice. Last night, when I was amending a similar section with regard to property rights, his answer last night and today was that "there will be situations that require personal information like expense information submitted by the board of directors, the CEO, or the hearing commissioners," but never once did he mention the other side of that equation, which is the person, the landowner, the property rights owner who has that application to go on their land. Nothing was ever said about that.

I think it may be advisable if the hon. Energy minister would make a subamendment to this stating that we will obtain personal information with regard to the board of directors, the hearing commissioner, the members of this new regulator if that's the intent of this statement in this bill. If it's not the intent of this statement, then maybe, you know, we should support this. If somebody wants to know my personal information and I give them the authority to do that through a signed document, well, that's fine. But there's no reason that without my consent my personal information can be requested. I would pass this on through the Deputy Premier to bring it up with the hon. Energy minister to see if maybe he wants to put this subamendment forward and clarify this issue so that everybody involved knows what the limitations are of what information he can request.

Thank you.

The Chair: The hon. Member for Calgary-Fish Creek.

Mrs. Forsyth: Thank you, Mr. Chair. This is an interesting bill for me. When I spoke on it when we were in second reading, I had talked about . . .

The Chair: On the amendment, hon. member. Thank you.

Mrs. Forsyth: I'll get to the amendment.

I had talked about balancing the rights of property and the industry. I've sat very quietly through this whole debate as I listened to amendment after amendment after amendment. I've found all of the amendments very interesting, listening to my colleagues and some of the colleagues that occasionally get up on the other side to speak.

This one intrigues me, and I'll tell you why it intrigues me. The Member for Edmonton-Centre, who spoke about this amendment earlier on, no one, absolutely no one, in this Legislature, period, knows the FOIP legislation or anything to do with personal information like that particular member. I say that as a member when I was with the government, and I say that as a member of the Official Opposition now because I've run into this member on several occasions when we've discussed FOIP legislation, both as the former minister of children's services and the former Solicitor General and then being on a FOIP committee with the member.

When I saw this amendment cross our desks this afternoon and then as I listened to her – you know what? This is when your senses kind of go off and you think, hmm, maybe I better listen to what that particular member has to say and what she's bringing to the floor of the Legislature in regard to her concerns about FOIP.

What I find very interesting in this is that when you read her amendment, it talks about striking out subsection (1) and substituting the following:

> The Regulator shall, on the written request of the Minister, provide to the Minister within the time specified in the request any report, record or other information, including personal information if the person whose personal information that is specified in the request consents in writing to its disclosure.

Then it goes on.

I'm trying to rationalize it in my brain. My colleague from Strathmore-Brooks brought up some comments that he used in *Hansard* after debating for the last two days when the Minister of Energy was asked why this particular clause is in the bill. My colleague from Strathmore-Brooks read into the record of *Hansard* what the minister has said, and . . .

Mr. Hale: Twice he said that.

Mrs. Forsyth: Twice.

. . . he still has not really answered the question.

So I kind of put myself in the place of: why would I want to give any personal information about myself to anybody? While I try and figure out the situation, I'm not so sure that I'd be handing over any personal information to any regulator to try and figure out why he would need that disclosure of my personal information anyway.

Now, the Member for Rimbey-Rocky Mountain House-Sundre spoke in the House, actually, in regard to his concerns about this particular amendment and some of the things that have happened to him. It was like an *I Spy* movie or a 007 movie, and I'm not a James Bond kind of girl.

Mr. Anderson: What do you mean? You're not a Bond girl?

Mrs. Forsyth: No, not a Bond girl at all.

I can imagine why people would want to find any information about something. I mean, there are times when the FOIP has to be shared, and I can say that I'm on the record as the former Solicitor General and the former minister of children's services in regard to FOIP being shared amongst agencies. If you have a child that's in some trouble and you know that there are some difficulties that the child is going to be facing in school or any of those kinds of things, I think that information has to be shared with the schools. Having said that, it's probably one of the biggest complaints that we're hearing from the police and other agencies like that in regard to the sharing of FOIP information. All of a sudden we're reading in Bill 2 about how they want to share that particular information.

I guess that I, like my colleague from Strathmore-Brooks, would like to understand why the government would want this particular section in a bill that's probably close to 80 pages long and for what value or for what reason. I know the Minister of Energy has gotten up twice on this particular bill. He says, for example, that there will be situations that require personal information like expense information submitted by the board of directors, the CEO, or the hearing commissioner. What do they exactly mean by personal information? What personal information? Is it their SIN number? Is it their address? Is it their personal bank accounts?

7:50

I mean, when you start talking to me about personal information, it's exactly what it says. It's personal information. I'm very hesitant about sharing any personal information myself. I mean, I've learnt, not only through my previous ministries but through age, that you just don't give out personal information because of all of the things that are happening in the world and social media, et cetera, like that. They're stealing your ID, identity theft, and all of that thing.

So I'm going to wait to hear from the government, let the government explain not only to the Official Opposition about this clause in the bill, but I think, more importantly, they need to share with Albertans in regard to why they are looking at putting this in a bill.

With that, I'll sit down and let someone else speak.

The Chair: The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair. As I started speaking to this amendment earlier, there are a couple of problems with the current legislation, the way it's drafted. One of the most glaring problems is giving government the ability to abuse. Now, I'm not making an allegation that the government is being abusive. What I'm saying is that you never in a democratic society give the power to abuse. I know the hon. member is giggling at this, but this is a government that has abused in the past. There are regulators that have abused in the past, and it's important that in the defence of democracy there are always limits to government powers. That is one of the primary defences in a democracy. If you read the current legislation, the way it's drafted allows the government to collect any information it so desires from the regulator, even personal information.

Now, given the fact that we're going to have contracts allowed to be registered with the regulator, there's nothing there that stops the government, basically the minister, saying: I want to see a copy of those contracts. FOIP doesn't stop that. FOIP prevents the so-called release of that information to the public, but it does not stop that information from going to the minister.

In my own example we had a regulator who hired private investigators. That is not something that is subjective. That is fact. The regulator admitted it. They spied on citizens. They collected information. The evidence submitted was that it was covert intelligence gathering, and that information was tabled right here in this Chamber. You had a regulator that absolutely was being abusive. But what has never been explained is why the government had information on me at that very same time and did not release it under FOIP. It is clear by the record that it existed, and I tabled the evidence. If you don't believe it, then just research it, because the evidence is absolutely there. If you want to see more, I will then table more. It speaks to this amendment. It speaks to this amendment.

The Chair: Can we keep the level of noise down, please? Thank you.

Mr. Anglin: There need to be limits on what the government's powers are with regard to the collection of information.

Now, this amendment does not prevent, it does not stop or inhibit the collection of information. What it does is it protects the privacy of particular individuals, and what it does is it creates transparency. We know the government wants to collect reports and a number of records and a number of other materials that would maybe be relevant to what the government needs to do concerning policy. I don't think anyone is in disagreement with that. What we're talking about is putting into legislation a cap on the power of how that information is collected and also making sure there's a guarantee that there's transparency. That's all. I don't think that's a whole lot to ask for.

Going back to this example of the power to abuse, it is not my allegation that anyone here is intending to do that. That's not what I'm bringing forward. What I'm saying is that you're putting into legislation that power for any government to abuse, and that is fundamentally wrong. You should never hand that over to the next government. You should never even be able to have the right to exercise that power. It is paramount that we protect privacy of information. When you put no limits on what the government can collect, you create a situation where abuse can take place, whether intentionally or unintentionally. By making sure that that abuse doesn't take place, by passing this amendment, then the allegation can never appear.

Again, this does not stop, this does not inhibit, this does not restrict the government from collecting information. What this amendment only does is make sure that it gets consent from the individuals, which is no different than what FOIP requires, to collect the information, and it makes sure that the public is aware of whatever information the government does collect so we have that full transparency. That is important on a number of levels.

I want to go back to the idea of registering contracts. I'm in favour of what has been proposed, where the regulator can enforce a contract if there's a disagreement. If we can keep the courts free of these disagreements, particularly when they can be resolved by the regulator, I think that does in effect what you want the bill to do. But if you require the registration of information, the registration of the lease agreement, the contract, that's a lot of information that I don't think is absolutely necessary to do what you intend to do. That information can be used or abused, not for what it was intended, particularly if the government decides to collect that. I don't understand that.

No court collects all civil contracts. The only time a courtroom ever sees a civil contract is when it goes to court. I actually think that's what should happen here. If there's a disagreement out in the public and it is under the jurisdiction of the regulator, only then should someone be able to go to the regulator with the contract and ask to have that contract enforced.

It is this idea of being sort of proactive, where we do not allow the collection of information unnecessarily. That to me is about balance of power. That is also about protection of democracy. It's about protecting the public from too much power of a government authority. Again, I'm not saying that you're going to abuse that power, but by keeping the legislation the way it is, you have the power to abuse, and that's wrong. That's wrong in my mind. You need to look at that because if you say that you're not going to abuse that power, which I believe in good faith you don't intend to or don't have any plans to abuse that power, then why would you want that power?

Those are some very good questions that I think need to be answered by those who would be opposed to this amendment.

Going back to my own particular example, that caused the disruption of an entire hearing process. It should not have ever happened. It caused the system to fail. Had the law been abided by, had the rules and regulations been followed, the system would never have broken apart.

We're here to talk about a bill where we're trying to streamline a process so there are no infringements upon these applications unnecessarily, there's no delay unnecessarily, and we can make this work. It is my view that if we allow this to stand unchecked, then there's always that potential that something can be abused, which would then interrupt the process unnecessarily, infringe upon this process unnecessarily as far as the streamlining process, and do exactly the opposite of what we intended to do with this bill.

8:00

Before I sit down, I just want to say that we are in favour of a single regulator and a streamlining process. We can come to an agreement if there are certain measures that are taking place to protect the property rights of individual people by protecting the privacy, which is the collection of information this amendment speaks about. That is really important for a universal sort of support or unanimous support to try to get this bill right. We can get it right. I think industry wants it. I think landowners want it. I think the public interest wants it. We're not going to go there right now, but if we get it right, then we're all happy and better off for it.

Thank you very much.

The Chair: Are there other comments? The hon. Member for Cardston-Taber-Warner.

Mr. Bikman: Thank you, Mr. Chairman. I appreciate the opportunity to speak to this amendment. I'm certainly in favour of it. I'm in favour of the bill itself, as my colleague just mentioned, with certain tweaks that will vouchsafe and preserve and guarantee and ensure that certain rights are protected. Good laws are clear and focused, not vague and global and not easily interpreted in ways that could allow for government abuse. Laws should not rely solely on the integrity of those who govern or their agents. We have learned by sad experience that it is the nature and disposition of almost all persons in government that as soon as they get a little authority, as they suppose, they eventually, often immediately begin to exercise unrighteous dominion. So why write laws or pass acts that could allow it?

No act will be perfect, but when we pool our intelligence – there's a lot of intellectual horsepower in this Assembly, I submit – and the perspectives that we all bring given our various backgrounds and differing life experiences, together we can produce better and safer laws that restrict the government or its agents from infringing on more rights than absolutely necessary. I believe, personally – and many others do, too – that all rights reside in the people, not the government. People collectively can agree to delegate a certain few of their rights to form a government for purposes of peace and security and greater good, but people can't delegate a right that they do not have themselves.

For example, picture this. A pioneer farmer in the 1800s relies on his horse to plow land. His horse dies for whatever reason. His neighbour has two horses, so he goes to his neighbour and asks for one of his horses. Now, he may offer to rent it, he may offer to buy it, he may just want to borrow it, but the horse isn't his. It's the neighbour's. The neighbour can choose to be kind and share it, or he can rent it or sell it. But if he chooses not to, that pioneer whose horse just died doesn't have a right to go to the sheriff and say to the sheriff: make my neighbour give me his horse or sell it to me or rent it to me. He can't delegate a right that he doesn't have. We can't do that either as a government. We can't take to ourselves rights unless the people give them up.

We need to be careful and protect the rights of individuals and certainly the right to privacy, the right to not have my personal information shared with the world or with the regulator, who may use it or abuse it in ways that I don't approve of, unless it's absolutely necessary. I haven't yet heard anybody present to us sound reasons why a lot of personal information would need to be shared with the regulator or their agent. I think there needs to be that privacy. I think that putting in this little amendment, simple as it is, that I should have to be required to consent in writing to someone seeking my personal information, is critical. I shouldn't have to provide it just to intervene or appeal something that's going to affect my right to enjoy my private property in peace and without unnecessary trampling of my rights.

I submit that this amendment is consistent with what philosophers throughout the ages and certainly with what intelligent political scientists have concluded, that we need to restrict the rights and abilities of government to abuse their power. We shouldn't be relying on the integrity alone of the people that have been elected to govern. I believe that this little amendment does that.

Thank you, Mr. Chair.

The Chair: Are there other speakers on amendment A9?

Seeing none, I'll call the question.

[Motion on amendment A9 lost]

The Chair: Now back to the bill.

Mr. Hancock: I certainly don't want to interrupt, but might I ask for unanimous consent to reduce the bells to one minute?

The Chair: Oh, yes. The motion from the Government House Leader is to reduce the ensuing bells to one minute.

[Unanimous consent granted]

The Chair: The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Mr. Chair. On behalf of the Member for Calgary-Buffalo I'd like to move the following amendment to Bill 2, Responsible Energy Development Act.

The Chair: Would you hand the amendments to the page, hon. member? Just give us a few minutes, and then you might speak to it.

This will be amendment A10, hon. members.

Hon. member, you may speak to the amendment.

Dr. Swann: Thanks very much, Mr. Chair. Mr. Hehr to move that Bill 2, Responsible Energy Development Act, 2012, be amended in section 33 by adding after subsection (2):

> (3) Subject to the regulations, the Regulator must render its decision within a specific prescribed time period based on the nature of the application.

I think it's pretty self-explanatory, Mr. Chairman, that applicants – that involves investors, citizens – would like to know that some kind of reasonable timeliness will be followed with respect to decisions and that matters will not be in limbo. The current clause 33 makes no reference to any particular timeline or any expectation of movement and decision, and I think all would benefit from having at least some indication that there will be a concrete timeline. I think everyone would benefit from that. It's not a major thing, but I think most people would agree it's helpful that in these kinds of significant investments and decisions we apply some kind of reasonable time limit to allow things to move in a responsible way.

Thanks, Mr. Chair. I'll wait and hear how people feel.

The Chair: Okay. Thank you.

Anyone else to speak to the amendment?

Mr. Anderson: Well, I would like to speak in favour of this amendment. I think it's a very practical amendment. We have an amendment that deals with a different section, but it's somewhat similar in nature, and perhaps we'll spend a little bit more time as a caucus talking to that amendment when it comes up. It's a little bit more specific than this one. However, it's the same spirit.

8:10

Really, the whole point of this single regulator was to reduce the time that it took between the application for a project and so forth and the time a decision on whether to move forward with that project is granted or not granted or granted subject to certain conditions. That's the whole point. I think we all agree that that's one of the major points of this bill. That's a good thing.

Obviously, our energy industry is very important. We've become very uncompetitive with regard to our regulatory regime in that it takes a long time to get projects approved. One thing industry can't stand is uncertainty, and that includes uncertainty for the time they have to wait for determining whether they're going to be permitted to move on with their project or not move on with their project and so forth. When a project is kind of in the holding pattern, that means that a whole bunch of capital and a whole bunch of resources – staff resources, capital resources, borrowing resources – are all being held kind of frozen until the application is approved or not approved, and then they can either go forward with the project or not and so forth.

I think it's a little odd that the government would present a bill like this – the whole purpose of this is to streamline the energy development process – and then not put in any kind of teeth, any kind of benchmark to ensure that these applications for these developments are indeed processed in a timely and expeditious fashion. I think that this is certainly an amendment that is needed. You know, what's the point of passing this thick piece of legislation if we're not holding the regulator to account, essentially, and saying, "Regulator, we're not saying how you have to find – yea, nay, or yes with caveats – we're just saying that you have to find within a reasonable period of time"?

Obviously, there are different types of applications. You know, some are going to be shorter in duration than others to assess, but there should be some sort of benchmark that makes us competitive with other jurisdictions and decreases the overall time of the energy development process.

I think this is a good amendment, and I would urge members to support it.

The Chair: Thank you.

The Government House Leader.

Mr. Hancock: Thank you, Mr. Chair. I just want to speak briefly to this amendment because I'm not sure I understand why the amendment would be put forward. As I read the amendment, it says that "subject to the regulations, the Regulator must render its decision within a specific prescribed time period based on the nature of the application." In other words, there needs to be a regulation to deal with time frames. Sections 33(1) and 33(2), both of those sections, are made in accordance with the rules. The rules are, essentially, as differentiated from regulations, things that apply to the regulator as opposed to regulations, which are passed by order in council.

Under the definition of rules on page 7 of the bill it says:

> (r) "rule" means, except in section 47, a rule made
>
> (i) by or on behalf of the Regulator under this Act or by the Regulator under an energy resource enactment, or
>
> (ii) by the Lieutenant Governor in Council pursuant to section 68.

In other words, regulations. So the provision is already in the act to set the regulations by which the regulator would operate. Presumably, one of those regulations would be with respect to the time frames. I mean, I can understand why the hon. member wants to have it clear in the act, I suppose, that there need to be time frames, but the reality is that there need to be time frames, and they'll be in the rules.

The Chair: Thank you, hon. Government House Leader.

The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair. That's a good presumption, but it's not in the legislation to govern the regulations. I know the hon. minister had an opportunity to discuss some of these with industry because we had the opportunity to sit down with industry and discuss this also. Having goals, specific goals, is something only the regulator can do. What this amendment does is just basically tell that regulator that once you set out to set out the rules and regulations, one of those goals has to be a time frame. The section that was just quoted actually doesn't say that. It just refers to the rules, but it doesn't say specifically to set out time frames for approval.

Now, I will remind hon. members that this is actually in law in other legislation dealing particularly with transmission lines. It's actually a smart idea. It used to say that a transmission line had to be approved within 180 days, and now I think it's subject to 180

days and allows the regulator to extend that if they need to extend that. That's the flexibility you allow a regulator. What this does is that it makes it very clear in legislation that the regulator has to look at the different applications, which is the nature of the application. When you talk to industry, it's complicated because certain categories of applications probably can be decided within a week; certain categories of applications are going to take months. What you're asking here is for the regulator to set out timelines. It sets its own goals.

This does two things. It helps to streamline the process by setting goals, but it also informs the industry: when you file an application, here's what the regulator has said. When you table that application for submission, they have an idea of what kind of time frame they're looking at. Hopefully, the regulator can meet its goals. I see no reason why it can't. The fact is that they can now take a look at what type of application they plan on filing, and they can have a reasonable expectation. If the regulator has set out in regulation that it has to be done in three months or one week or 180 days, whatever the regulator sets, that gives that company a chance to take a look at the overall picture and plan appropriately.

There's nothing worse for industry than to file an application that it thinks is routine and not get an answer back and not understand why it hasn't got an answer back when applications of that same type have generally only taken a matter of a couple of days. I would ask some of the members to contact some people in the industry, and they will tell you that that type of approval process has always frustrated them. Where they could not see a roadblock, they just don't understand why the application is sort of in never-never land. It hasn't been rejected. It hasn't been approved. It is somewhere in the chute, so to speak, waiting for adjudication.

When I look at this on specific terms, dealing with the actual statement that they have to set out the time frames, I think this is one of those – as the hon. member said, even a blind squirrel can find a nut on a given day. Maybe we have a nut here that the blind squirrel can agree on. If you're opposed to the amendment, the question I would have, then, is: how would this possibly hold up the streamlining process? All it does is provide guidance to the regulator in legislation. To me the whole purpose of the legislation is to provide that guidance.

Now we would know that the regulator, if you were to adopt this and pass this, would then on its own merits, based on the legislation, start figuring out how it's going to set reasonable time frames, reasonable goals that it can achieve so that the public knows. I think that enhances this piece of legislation, and it allows this process to work exactly the way you want it to work, which is streamlining. Without that, yes, the rules will be the rules, but there are no time frames and no requirement to set a time frame in those rules. We just know there are going to be rules forthcoming, but nobody knows what those rules are going to be.

Setting it out in legislation gives us some sort of clear indication of what some of those rules will be. That's a very good thing for industry. That's actually a very good thing for landowners, too. They will have some sort of reasonable expectation of when that decision will be forthcoming. I think that serves everybody on each side of the equation should anything go to a hearing process or any kind of dispute resolution process, some sort of indication of what they're dealing with with the application.

Thank you very much, Mr. Chairman.

8:20

The Chair: Thank you.

Are there others? The hon. Member for Cardston-Taber-Warner.

Mr. Bikman: Thank you, Mr. Chair. Again, I appreciate the opportunity to be here and to participate in this discussion. I'm learning a lot, and it reinforces what I think good legislation really looks like, what a good act will accomplish. Just to draw upon something my hon. friend mentioned about goals, a goal or a good intent of the purpose, of the result that we're looking for is really just a wish until it's written, and by writing it, it makes it crystal clear. It crystallizes it and helps us have something to strive for.

One of the key tools to help streamline is to have deadlines as well as timelines for parts of the evaluation and decision-making process. They need to be realistic, of course, but without them we have the Parkinson's law situation, which I'm sure you all know: work will expand to fill the time allotted for its completion. So we need to keep the time frame as short as practicable. There need to be consequences, certain, not severe, for success or failure to encourage the expeditious processing and arrival at the desired conclusion.

A good management tool that ought to be considered as we work towards making this really be an effective streamlining process would be some kind of performance agreement. It's just part of good management. We have mutually agreed upon desired results so that the parties involved understand what's expected, clear expectations, critical to success, and clear expectations that are specific, not global. We have guidelines. For example, one of the guidelines would be that it has to be legal, moral, and ethical. Another might be that we need to meet certain timelines. Then we've got the resources that are available to help us achieve the desired result. Those need to be clearly specified as well, I submit. Then you've got accountability, how you're going to report your stewardship, and then the consequences, as I said.

Certain, not severe, perhaps performance bonuses for achieving certain successes within or under the timelines, and then penalties or consequences if the regulator isn't performing at the proper level. They certainly shouldn't be getting bonuses as has happened in AHS and other governmental departments for underachieving. We need to set the bar high. The expectations need to be clear because industry as well as the public and the landowners will want this process to be swift. We want to be able to compete with our neighbours to the east and west of us, who seem to be able to approve projects much quicker than we've been able to do.

So I believe that this will help. I think it's critical that we have timelines so that we don't just have it loosey-goosey and it can take as long as it wants but that it's a strict requirement for the performance of the job of the regulator, or they need to be looking for a new job.

Thank you.

The Chair: Again, are there others? I'll recognize the Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair. In any typical industry if a company setting out a business plan to engage in a project, particularly with project management, it is always set according to timelines, whether you're dealing with financing, whether it's the logistics of purchasing material, costing your labour. It doesn't matter. It is all based on timelines under a project management system.

If we require the regulator to set out reasonable timelines – and it doesn't even say reasonable; it just talks about setting out the timelines – it gives a mandate to the regulator to put that into its regulations so we're assured that it is done in regulation. That now can be used in any project management plan. As these applications come forward, they can now not just look at the geology, you know, on the resource development and the logistics of the drilling

and everything that takes place prior to it, but also they can back right up to when they're doing the planning stages. They'll know when they file that application what reasonable timeline they can plan for to engage these services.

That is not perfect in every sense of the word, but that gives a better planning tool to our industry. All that's happening here is that we are asking to put it in legislation so the regulator must comply and create reasonable timelines – I'm going to make the assumption that they would do that – and there are reasonable goals, and people, industry can rely upon that. That makes for a seamless application process. Without that, if there is no mandate – yes, it can happen without the mandate. That is possible, but it's possible it might be missing. All you're doing here by accepting this amendment is making sure that does not go missing so that we can create a seamless approval process.

Thank you very much, Mr. Chair.

The Chair: Thank you, hon. member.

Are there others to speak to amendment A10? Seeing none, I'll call the question.

[The voice vote indicated that the motion on amendment A10 lost]

[Several members rose calling for a division. The division bell was rung at 8:26 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Rogers in the chair]

For the motion:

Anderson	Fox	Strankman
Anglin	Hale	Swann
Bikman	Mason	Towle
Donovan	Rowe	Wilson
Forsyth	Stier	

8:30

Against the motion:

Allen	Horne	Olesen
Bhardwaj	Horner	Olson
Brown	Johnson, J.	Quadri
Calahasen	Khan	Sandhu
Casey	Klimchuk	Sarich
Denis	Lemke	Starke
Dorward	Leskiw	VanderBurg
Drysdale	Lukaszuk	Weadick
Fenske	McDonald	Xiao
Griffiths	Oberle	Young
Hancock		

Totals: For – 14 Against – 31

[Motion on amendment A10 lost]

The Chair: Hon. members, just a reminder that when you submit amendments to the table, we need the original that was signed by Parliamentary Counsel and signed by the member proposing the amendment.

I'll recognize the next member on the bill, the Member for Edmonton-Highlands-Norwood.

Mr. Mason: Mr. Chairman, thank you very much. I would like to propose an amendment to this bill, and I will provide copies to the table. I do not see the original here, so I will defer to my colleague for Calgary-Mountain View until I find the original signed copy.

The Chair: Okay.

I'll recognize the Member for Calgary-Mountain View.

Dr. Swann: Thank you, Mr. Chair. I have a further amendment to Bill 2, the Responsible Energy Development Act. I'll circulate it before I comment.

The Chair: This amendment, hon. members, will be A11 once it gets to the table.

Hon. member, you may speak to the amendment.

Dr. Swann: Thank you very much, Mr. Chair. Under part 4 Mr. Hehr moves that Bill 2, Responsible Energy Development Act, 2012, be amended in section 67(1) by striking out the word "and" at the end of clause (a) and striking out all of clause (b), which appears to be entirely redundant.

The existing section 67 states:

> 67(1) When the Minister considers it to be appropriate to do so, the Minister may by order give directions to the Regulator for the purposes of
>
> (a) providing priorities and guidelines for the Regulator to follow in the carrying out of its powers, duties and functions, and
>
> (b) ensuring the work of the Regulator is consistent with the programs, policies and work of the Government in respect of energy resource development, public land management, environmental management and water management.

We fail to see how that adds materially to the bill and may give a false impression to some ministers that they can carry out far more intervention than is appropriate. So we see nothing that isn't included under subsection (a) and would suggest that part (b) is either redundant or could be misused.

Thank you, Mr. Chair.

The Chair: The hon. Government House leader.

Mr. Hancock: Thank you, Mr. Chair. I'd have to speak against this amendment. Clause (b) is clearly a very important part of the bill. What the report that was done as a backdrop to this bill very clearly set out is that in order for us to do appropriate sustainable development in this province, balancing the interests of industrial development and the environment, the interest of Albertans, there needs to be a policy process that's set by government through the Legislature on behalf of Albertans. The government sets the policy. The Legislature sets the legislation. Those are the structures that are put in place. The regulators don't make policy. They carry out policy in terms of implementation.

Section 67(1) very clearly says in (a) that the minister can give priorities and guidelines in terms of how they carry out their duty and in (b) ensures that the way they carry out their duty is done in compliance with the policies, rules, and processes set out by government. It sets out the very clear delineation of responsibility. Policy is the role of government and the Legislature. Carrying out the policy with respect to this area is the role of the regulator.

The Chair: Are there other speakers on amendment A11? Seeing none, I'll call the question.

[Motion on amendment A11 lost]

The Chair: We'll move to the hon. Member for Edmonton-Highlands-Norwood on the bill.

Mr. Mason: Thank you very much, Mr. Chairman. I have an amendment to Bill 2. I will provide the necessary copies to the table, and you can tell me when to proceed.

The Chair: I will, hon. member.

This amendment, hon. members, will be A12.

Proceed, hon. member.

Mr. Mason: Thank you very much, Mr. Chairman. I move that Bill 2, the Responsible Energy Development Act, be amended in section 16 by renumbering subsection (1) as subsection (1.1) and by adding the following before subsection (1.1).

16(1) In this section, "Minister" means

(a) the Minister of Energy,

(b) the Minister of Environment and Sustainable Resource Development, or

(c) any other Member of the Executive Council responsible for energy or environmental matters.

I'm pleased to speak to this, Mr. Chairman. Presently the bill only provides for disclosure of information to the Minister of Energy, who is the sponsor of the legislation, meaning that all environmental data and analysis gathered by the regulator will not be shared with the minister responsible for the environment.

This amendment ensures that if the minister of the environment requests information pertaining to energy resource developments, he or she will be given that information in order to be able to assess the regulator's work on environmental monitoring. The regulator will be responsible for the protection of the environment when it comes to energy development, but nowhere is there any mention of the ministry of the environment. The ministry of the environment is invested in assessing and managing the cumulative effects of human activity. In order to more effectively study cumulative effects on the environment, the minister of the environment must be able to access the full information regarding resource development in Alberta.

According to the Ministry of Environment and Sustainable Resource Development the province's cumulative effects management system is evolving, and the new Responsible Energy Development Act should evolve with it. This amendment will show a real connection to the province's cumulative effects language and policy because cumulative effects research must be based on open collaboration and the sharing of knowledge. The regulator will have key information on potential environmental effects of proposed and approved energy development plans that pertain to specific regions.

8:40

The lower Athabasca regional plan intends to balance large-scale economic growth in northeast Alberta with so-called world-class environmental monitoring. If the single regulator is solely responsible for environmental monitoring, how can the lower Athabasca regional plan be successful in its vision? This amendment will provide the avenue for the Ministry of Environment and Sustainable Resource Development to examine whether energy projects comply with overall development plans such as the lower Athabasca regional plan.

The Ministry of Environment and Sustainable Resource Development has committed itself to increased environmental monitoring, beginning in the oil sands region and extending to cover the province. This monitoring will likely focus on regions in Alberta where resource development will have major effects on the environment. According to the Ministry of Environment and Sustainable Resource Development this agency is a new step in addressing how we monitor the development of our natural resources. In order for environmental monitoring to be effective, information on energy development must be readily available from the regulator. The regulator will have the most immediate and complete information from energy project applicants, and rather than duplicating efforts in different offices, this amendment allows for the quick sharing of information generated from the regulator.

Mr. Chairman, it's clear to me that if the regulator under this act is responsible for gathering data and monitoring the impacts of development in considering applications and afterwards, that regulator should be sharing that information not just with the Ministry of Energy but also with Environment and Sustainable Resource Development. This is an attempt to correct what we think is a major flaw in the approach of going to a single regulator. The environment will be sacrificed and with it the rights of landowners. You cannot protect the rights of landowners if you don't protect the land itself. I think that that's a critical link that needs to be made in consideration of this bill. You cannot separate those two things. This is an attempt to at least ensure that the ministry of environment is in the loop when it comes to the impact of large-scale energy developments on the environment.

Thank you, Mr. Chairman.

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd draw the House's attention to the definitions section in Bill 2, which indicates:

(n) "Minister" means the Minister determined under section 16 of the Government Organization Act as the Minister responsible for this Act.

Under the Government Organization Act section 16(4) says:

Two or more Ministers may be given common responsibility for the same Act, and in that case any reference in the Act or a regulation . . . to a Minister, the Minister's deputy or the Minister's department is to be read as a reference to any of those Ministers and their deputies and departments.

We have a naming protocol, which was established in this province a number of years ago, under the Government Organization Act which facilitates the changes, reorganizations that happen from time to time. Sometimes the ministry of environment is called the ministry of environment and water. Sometimes it's called the Ministry of Environment and Sustainable Resource Development, depending on how the organizational structure is. You don't go through then and amend all the acts to change the names. The Government Organization Act facilitates the naming and transference of responsibilities with respect to any specific act.

I would suggest that this amendment is not only unnecessary but complicates the process because it's very straightforward to name the ministers responsible for an act. There can be more than one minister, in fact, responsible for an act. Different ministers can be responsible for different sections of acts. That's all clearly set out under the Government Organization Act and the regulations that are made there from time to time.

The Chair: Are there others to speak to this amendment? The hon. Member for Airdrie.

Mr. Anderson: They come fast and furious at us. I need caffeine, clearly, because that was a mouthful.

I'm just flipping to section 16(1) first. We're dealing with the section regarding disclosure of information to the minister. This did come up earlier, and there was no explanation given with regard to our questions on this. I think the hon. House leader obviously has a very good grasp of this bill, so I would like to understand the explanation for why this is in here. In section 16(1) it says right now:

The Regulator shall, on the written request of the Minister, provide to the Minister within the time specified in the request

any report, record or other information, including personal information, that is specified in the request.

Now, that to me seems very broad, and it's a little bit disconcerting that there just seem to be no parameters on that section. In other words, it seems to be saying – and please correct me if I'm wrong. No one was able to point out to me in the act the reason why that's there. That seems to suggest, unless I'm wrong, that a minister could ask for someone's medical information under this or they could ask for something like that. So if you could address that.

Mr. Hancock: Mr. Chairman, obviously, it's not that broad. The only information which the minister can request is information that the regulator has. There's no good reason for a regulator to have medical information on an individual unless, perhaps, they're regulating some environmental impact piece that has medical impacts. If there are medical impacts on individuals in an area, then that might be part of the report. Rather than sever that from the report, the minister would be entitled to get the report, including any personal information that was in the report with respect to medical impacts. That's speculation there.

It's only the information that a regulator has in a report or an application or a regulatory review that's available. If the regulator has the information, presumably it's information which is attached to something that they're reviewing or looking at and, therefore, is relevant to the subject matter. All it's saying is that the minister can have the same information that the regulator has in order to be able to look at the policy implications that might be needed out of that information.

Mr. Anderson: Okay. That's a good answer to that question. So we're only talking about information that the regulator already has in their possession.

Now, I would be a little bit concerned still that, you know, the regulator could – for example, let's say that a landowner feels that they're being negatively impacted by some fracking in the area, and they submit to the regulator, as I've seen if you've been to some of these fracking conferences, just awful pictures. They're just claims. I'm not an expert on fracking. I'm not saying that there's a problem with it. I just know that there are a lot of people that do feel there's a problem with it. They submit some graphic details about how they're being damaged. It includes medical information, very detailed pictures, and all kinds of bad stuff.

So if that went to the regulator, then at that point that information, if I'm understanding it, would be made available to the minister if they asked the regulator for it. Is that correct? Is that your understanding?

Mr. Hancock: In the circumstance of this particular section my understanding would be that the regulator is carrying out a function on behalf of government in terms of carrying out policy that's been put in place with respect to the implications of how people who are applying to do things are regulated under those policies. If the information is in the hands of the regulator, it is in the hands of the minister to request, as it says, a "report, record or other information," but then the minister has the same duty and obligation as the regulator with respect to how you handle that personal information.

One could assume that if there's information that's provided to a regulator that's relevant to what the regulator is doing, then it may be relevant to the policy-setting process, which is in the hands of government. The minister can ask for that information because the minister is the person who advises government with respect to how policy needs to be changed from time to time. The issue is: why does the regulator have the information, and what's the purpose of the information?

8:50

The Chair: I recognize the Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you very much, Mr. Chair. Listening to the hon. House leader, I follow the point about the Government Organization Act. I don't have that act in front of me, but I remember looking at that act on a number of occasions on different matters. Looking at this amendment, I'm not sure how it impedes or contradicts or would make things complicated in the change of the title of the ministry. Maybe I'm wrong. It would be section (a) more than (b) or (c). This is the Responsible Energy Development Act. I mean, this is about energy. It is presumed that the Energy minister by any other name is the Energy minister. If I'm wrong on that, then please say I'm wrong on that.

What it says beyond that is:

(b) the Minister of Environment and Sustainable Resource Development, or

(c) any other Member of the Executive Council responsible . . .

Now, it's not talking so much about the ministry but the area of the responsibility for energy or environmental matters. It doesn't say the ministries as much as it's talking about those matters that deal with both energy and the environment. That, to me, would not make it difficult to change the title of the minister, to require a legislative change or anything.

When I look at section (a), that's where my question lies. I can't imagine changing the title of the minister, but it's possible that we won't call the Minister of Energy "the Minister of Energy" for whatever reason. I just don't see where that's problematic.

When I look at this, other than being specific in literal terms, it just provides a little bit more clarity to the bill, to exactly what you intend it to do. I would encourage anyone to comment. Particularly, does section 16(1)(a) of this amendment violate what you just described in the Government Organization Act? Does that cause a problem?

Mr. Hancock: Mr. Chairman, it doesn't violate anything. It's surplusage. It's unnecessary, and it creates issues down the road when you change names of departments. The Minister of Energy at one time, if I recall correctly, was the minister of energy and sustainable resource development. Names change from time to time for various reasons. That's why the Government Organization Act was set up, so that you could actually facilitate those changes without having to go through, find all the mentions in all the statutes, and amend them from time to time.

It doesn't create any particular problems because – you're right – it says that it could be the Minister of Energy, the Minister of Environment and Sustainable Resource Development, or any other person who is responsible. The Government Organization Act clearly sets out who is responsible for what acts and what sections of acts and sometimes coresponsibility.

It's surplusage. It just creates issues down the road when clearly the way the legislative drafting has happened over the last few years is to take those references out of these acts. Everybody knows where they are, and you can go to one place to see who is responsible for any act or sections of acts.

Mr. Anderson: I love it when the Government House Leader is here because you learn new words like "surplusage." I didn't know that word. That's a good word.

Mr. Hancock: Hopefully, this is the penultimate amendment.

Mr. Anderson: Fair enough. Surplusage, umbrage, all these great words.

I really want to thank the minister for answering those questions. It does seem to me to suggest, though – and I think that you did answer it clearly – that it's anything that's in the regulator's hands that's subject to a request by the minister, anything that's been given to the regulator. So that could include medical information. It could include some very personal information about landowners, about anyone else adversely affected who submitted that information that the regulator has gotten a hold in some way, whether through a proceeding or a forum or if it was just mailed to them and so forth.

I would say that that's still too broad. I guess we'll have to agree to disagree on that. When somebody submits something to any government body, especially when it comes to personal information, certainly personal medical information about a sickness that they have because of what they perceive to be development and so forth, that is to them a very personal thing. They're doing it because they feel that they have to. They have no other choice but to submit what can be some very sensitive and embarrassing facts to the regulator in order that they are heard and perhaps compensated or perhaps so the project won't be expanded or won't go forward, or whatever. I don't think that the minister should have the blanket authority to ask for that information and have it in his or her hands. I think that that's too broad.

If we could put something in there that just said: relevant to his duties, relevant to his duties as minister, relevant to whatever. I mean, there's got to be some limitation that shows it's not a complete free-for-all, that they can ask for any information. You know, who knows? I mean, maybe somebody submitted their credit card number to the registrar in order to purchase copies of forms and stuff like that. Well, you would think that that information would be private. Again, I think we've got to realize that we have to be very careful when we start giving blanket powers to ministers to simply say, "I will take whatever I want when I want it from the regulator," because that could include some very personal information that was never intended for the eyes of the minister.

Other things, too. There are a lot of people, obviously, that live on acreages or hobby farms or other places that may have jobs in the public service. It's quite possible that they might not want to be identified if they were to write, say, a really sharp letter criticizing the government for something, and they send it to the regulator as part of their package or submission on a certain issue. Then if the minister can ask for all that information, again, that could be problematic, as could his contact information: his e-mail addresses, his phone numbers, his address, his business address, his place of employment, whatever.

Again, if it's relevant to the minister's duties – and I agree with the Government House Leader – then that's fine. But if it's not relevant to the minister's duties, if you're just giving a power that is essentially unfettered for the minister to ask from the regulator anything that it has in its possession from an individual, regardless of whether it's material to the minister's duties or not, I think that that is problematic or could be problematic, and I think that that should be changed.

With regard to this particular amendment I think it is reasonable because, as stated here, it's the Minister of Energy and the Minister of Environment and SRD and then subsection (c) catches what the Government House Leader was saying: "any other Member of the Executive Council responsible for energy or environmental matters." If the names of departments did change, then that subsection (c) would clearly catch the new name, whatever that is, of the minister that deals with energy, environment, or sustainable resource development. So I think that it's a reasonable amendment.

I think that, frankly, it should be much broadened with regard to narrowing what the minister can and can't ask with regard to personal information. Reports, I agree. Any report the regulator has, I think that's fair game, anything generated by the regulator. But when you're talking about personal information that's been given to the regulator in confidence, I think that this is a very problematic section.

Thanks, Mr. Chair.

The Chair: Further comments on A12? The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair. I want to thank the minister for explaining that. I'm not sure it causes a problem in the sense that the Government Organization Act and any other piece of legislation that changes a department's name generally makes reference to what once was and what will now be. Everything is assumed to be exactly as it should be. Far be it from me, though – I just hate the idea of naming another minister that will get private information. I was trying to limit the power of this a few amendments ago. I'm still more inclined to look for limits on the amount of information that should flow.

9:00

I think I will be supporting this, particularly on the environmental side. It does provide clarity that information can flow, if anything. I don't think it harms the bill. I don't think it affects the bill and what the bill's intention is. I think what it does is to make some clarification for the public at large so they get some sort of sense of trust – I don't want to use the word "trust," but I guess the word "trust" is applicable here – that the information goes where they think it should be going regardless of what the Government Organization Act stipulates. You know, one of the things that has to happen with this legislation is that it has to give the public confidence. It has to give the public a sense that they are not just getting a streamlined regulator but that their rights are being protected in the process by stipulating in legislation who is going to be getting the information, particularly when you are dealing with environmental matters. That was brought to this.

Now, I will tell you from personal experiences that there are problems with fracking. This is not something that is arbitrary or alleged. It is something industry has to deal with. It happens every now and then, and it happens sometimes in strange and weird ways. It even surprises industry. These would be issues that landowners would take to a regulator. Now, one of the most recent ones, of course, happened down in Innisfail. We had a blowout. The fracking company was over the hill on another section of land altogether, and all of a sudden the farmer had a blowout. I don't think it was an abandoned well. I think it was actually another shallow well, if I'm not mistaken. We had a huge blowout happening there.

Now, in that situation the energy company was not following the proper protocols, and that led to probably more of a mistake than there needed to be. Again, this would be a case where the property owners themselves would want the regulator and possibly in this case the ministry of environment to get involved. This was not just an energy development issue. This now became an environmental issue when we had that unexpected blowout, that unfortunate blowout, and there was a tremendous problem created as a result of that.

We had the same thing with the pipeline crossing down on the Red Deer River. We had a spill. It appeared to be significant

downstream. What we found out after the fact is that it was significant, actually, right there for the adjacent landowners on both sides of the bank. It, unfortunately, happened, but at the same time fortunately it happened at the same time that we were at the high-water mark for the year. On the fortunate side it actually placed that oil well up high. Unfortunately for the landowners that were up there, they got covered with oil, so it had that drawback to it.

Again, it's about: now what happens? Who gets the information? Who has the power to get the information? If we were to pass this amendment, it would be laid out in very clear terms.

Listening to the hon. House leader, I understood what you said, and if I'm wrong, I know you'll stand up and say that I'm wrong. The Government Organization Act and any other piece of legislation that we pass, including this one, will make reference – and it does – to where it comes from and what changes. I don't think that creates a problem in the future at all. We have that flexibility. What this does is make it clear and concise for the average person to understand how this bill works and says in specific terms that they can bring these environmental concerns and ask the ministry of environment to get involved in those situations where they need to.

Thank you very much.

The Chair: Are there other speakers to amendment A12?

Seeing none, I'll call the question.

[Motion on amendment A12 lost]

The Chair: We're back to the main bill. The hon. Member for Strathmore-Brooks.

Mr. Hale: Thank you, Mr. Chair. I have an amendment, and I have the required number of copies I'd like to hand out.

The Chair: Have you got the original, hon. member, sent to the table?

Mr. Hale: Yes.

The Chair: Thank you. Just a brief moment while that's circulated.

Hon. member, you may speak to the amendment. This will be amendment A13, for the record.

Mr. Hale: Thank you, Mr. Chair. As you can see, we want to amend division 4, reconsideration by a regulator, specifically section 43. As it reads in the bill now, it says, "Subject to the regulations, the Regulator may conduct a reconsideration with or without conducting a hearing." My amendment will strike section 43 and replace it with

> 43 The Regulator shall provide a minimum of 60 days' notice of a reconsideration to any landowners, companies, or other persons directly affected by the decision and shall provide those persons with the opportunity to present evidence to the Regulator before the reconsideration is complete.

Now, this amendment is good for everyone involved. It's good for the companies. It's good for the landowners. It gives everyone a sense of certainty. They know what's going to happen not on the day that it happens. This will allow the rug not to be pulled out from the oil companies. We've already witnessed up north the oil sands leases that were cancelled. These oil companies spend thousands, hundreds of thousands, millions of dollars preparing and going through this application process. To all of a sudden have the decision of the regulator stop their process costs them lots of money.

We're still not a hundred per cent sure. I did ask a question in question period regarding the repayment to these oil companies of the leases that were cancelled. Are they going to be repaid the original costs? Are they going to be repaid the original costs plus a rate of return? Or are they going to be repaid their costs plus a rate of return plus lost revenue? That could cost the Alberta taxpayers millions and millions and millions of dollars.

This amendment will allow the oil companies to have a voice with the regulator. It'll allow them to make recommendations, to plead their case, if you so wish. You know, it'll allow them to be involved in some sort of a discussion as to why, give them time to make their cases, to make their point, to say: why are you pulling these leases from me? It's not necessarily about the landowners. I mean, it could be that the decision of the regulator is to not allow it on a piece of land, then all of a sudden on a whim the regulator decides to approve it without giving any sort of notice.

I believe – and the hon. Energy minister may correct me – that this section of the bill deals more with cancelling of leases, suspending application processes. We feel that these oil companies deserve the respect of the regulator to give them notice, to give them 60 days, two months. Many of these oil companies spend months and months right now going through this process, deciding on their projects. This will allow them time to make recommendations to the regulator, to, hopefully, change the regulator's mind as to why this resource development is good.

9:10

You know, we've heard throughout the amendments of this bill, we've heard throughout proceedings in this Chamber for weeks now about accountability and transparency. This amendment allows for accountability and transparency between the regulator, the energy companies, and the landowners. I don't think that this is too much to ask for companies that spend all this money on the taxpayers' dime. I mean, taxpayers own the resources – they own them – and when situations arise where we have to spend extra taxpayer dollars to compensate these oil companies when maybe they have good reasons and they can persuade the regulator to allow them to continue their resource development, you know, these companies must be allowed to provide evidence.

I can almost hear the answer of the hon. Energy minister to my questions and to this amendment, that it will be dealt with in the regulations, in the rules, but again that leads to so much uncertainty. You know, these companies that are worth billions and billions of dollars want to know where they stand. They don't want to leave it up to the whim of the Energy minister or the regulator. They want to know cut and dried what's going to happen. I think they deserve the respect of this Chamber, and I think they deserve the respect of the Energy minister and everyone involved to have that certainty, to know where they're going to stand.

So I would hope that you guys would take a look at this and come up with some really good explanations as to why you don't want to pass this amendment or, you know, clarify, other than saying that it's going to be in the regulations later. I'd like to see in the bill where this will provide certainty to the energy industries.

Thank you.

The Chair: Other comments? The hon. Member for Airdrie.

Mr. Anderson: Yeah. I personally think that this amendment is more than reasonable. It's, frankly, essential. Again, it's good that the Government House Leader and the Energy minister are here to answer our questions in this regard, but if you look at section 43, again, of the current act it says, "Subject to the regulations." I know, regulations. You could put something in there maybe, but

you can't take that to the bank, so pretend that's not even there. "Subject to the regulations, the Regulator may conduct" – may conduct – "a reconsideration with or without conducting a hearing."

Now, I don't see how that is due process, frankly. I'm not understanding how folks can go through this process and go through a proper hearing where a decision is rendered, and then the regulator is free to go back, reconsider that decision, and change its mind, essentially, or alter its decision without consulting or hearing from the impacted folks. That doesn't make sense.

I'm fully aware that this is a very thick bill. I've a lot of respect particularly for the Government House Leader and his ability to understand and weed through government legislation and point out where we're missing things and where we're misinterpreting things and so forth, but on 43 I don't understand why we would want to give the regulator the ability to reconsider a decision and alter a decision without hearing from the folks that are affected by it. Again, that to me is a little bizarre.

The amendment here states:

> 43 The Regulator shall provide a minimum of 60 days' notice of a reconsideration to any landowners, companies, or other persons directly affected by the decision and shall provide those persons with the opportunity to present evidence to the Regulator before the reconsideration is complete.

I'm glad that our Energy critic also brought up the fact that this applies not just to landowners, which is important – it should apply to landowners – but it also applies to companies. Under this a company could essentially get a permit to drill or to do its work, and then there could be a reconsideration of that without a hearing. So the company could go through all this effort. There are hearings and all that. They get the permit, and then all of a sudden for whatever reason, political or nonpolitical, the regulator decides to reconsider the decision to allow that drilling permit and makes a decision without even hearing from the company, whom it would just devastate.

Again, I'm not saying that the government plans to do something so nefarious as that, but that's what this seems to do. Is there an unintended consequence here? Perhaps the Energy minister or the Government House Leader or the ag minister, also a great parliamentarian and someone who understands legislation very well, could explain if that is indeed the case. Why do they need to make it so that a regulator may conduct a reconsideration with or without conducting a hearing? Doesn't that seem like a problem?

The Chair: Before I recognize the next speaker, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

Introduction of Guests
(reversion)

The Chair: The hon. minister of agriculture.

Mr. Olson: Thank you, Mr. Chair. I notice that we've had some visitors just arrive in the members' gallery. I was at a dinner reception earlier this evening, and it was to celebrate the agriculture industry. It was sponsored by Alberta Pork, Alberta Barley Commission, Alberta Lamb Producers, Alberta Pulse Growers, Alberta Canola Producers Commission, Alberta Sugar Beet Growers, Alberta Wheat Commission, and the Potato Growers of Alberta. I actually might have mentioned to some people there that sitting here evenings is somewhat reminiscent of an intensive livestock operation where we sit, and we sit, and we sit, then we go out and eat, and then we come back and sit some more. Anyway, these gentlemen were, I think, curious enough to come over and see what we do here in the evenings. I'd like to introduce to you and through you to the members here Chris Perry, John Boorman, Louis Ypma, Laus Stiekema, and Jake Hoogland. My apologies if I've mispronounced any names. Welcome.

The Chair: Thank you, hon. member.

Bill 2
Responsible Energy Development Act
(continued)

The Chair: We'll return to debate on amendment A13. Are there other speakers? The Member for Innisfail-Sylvan Lake.

Mrs. Towle: Thank you, Mr. Chairman. It's a privilege and a pleasure to rise and support this amendment about giving

> a minimum of 60 days' notice of a reconsideration to any landowners, companies, or other persons directly affected by the decision and shall provide those persons with the opportunity to present evidence to the Regulator before the reconsideration is complete.

The reason that this amendment is actually quite important is because in the act itself, the Responsible Energy Development Act, section 43 is pretty vague. It really just says, "subject to the regulations, the Regulator may conduct a reconsideration with or without conducting a hearing." The most common-sense thing to do would be to literally be able to provide the landowner and the company with a minimum amount of notice. Why would we expect that anybody should get zero notice, that the regulator can make a decision, and then after that decision is made can come back and change that decision with no notice to the landowner, no notice to the company, really, no notice to anybody but themselves and probably the minister?

9:20

In the interest of being as fair, as open, and as transparent as possible, it would seem that we want to make sure that this is a win-win for all. I would think that industry would need this as well so that these decisions don't bounce back on them. You know, time and time again we repeatedly hear about how much investment industry makes into these projects, how much effort and time and months go into the planning, into the permits, into the development of whatever this project is going to be. In order to make sure we're not shortchanging industry at all, if there's going to be a hearing or there could be a hearing or there might be a hearing or there was a hearing or a reconsideration of any sort, then surely the industry would want and the government would want to make sure that all those who might be affected have an opportunity to know that that has changed.

The importance of that is that it then allows that industry member to redirect funds if they need to, change permits so that the project isn't stalled, and allows the industry member to further meet all of the guidelines that the regulator is actually putting on them. A change or a reconsideration literally could mean that you're changing the guidelines that the industry person has to meet, and we would want to give them notice of that. Just as important, surely, is that we'd want to give the landowner notice that we're going to reconsider or conduct a hearing on something that, again, is on their private land.

The problem with leaving it so vague is that it really is a concentration of power. I believe that this government wants to be

more open and transparent. That's what they've said they want to do. A perfect way to do this is just to ensure that there's no secrecy. Nobody is saying that they want it to be secret but just to make sure that that is an open process.

Requiring notification of a hearing with affected persons and giving them 60 days' notice is a reasonable amount of time. If there's a different amount of days, you know, I'm open to hearing that as well. If there's a little different wording that the government needs to have in there to make sure that there's some sort of notification to the landowner, to the industry, and all the affected members, then certainly I'm sure that the Minister of Energy could provide that reasoning.

It seems that there would only be very few reasons as to why you'd purposely leave it out. There doesn't seem to be any logic and any reason as to why you wouldn't notify not only the landowner, the person's land that they own that you're going to be affecting, but also the industry member so that we can ensure that industry is able to meet all the requirements that are placed upon them. This is not onerous on the regulator when changing the decision. It's a simple notification allowing everyone to know exactly what's going on and allowing everybody to have the opportunity that if they don't like the notice or they don't like what's going on, they can take whatever avenue is open to them.

We've already heard that one of the avenues that is open to them is to have a discussion with the minister because that's how they're going to appeal that decision. But if they don't have any notification, how does either side make that happen? If industry doesn't know that you're going to change or have a reconsideration with or without a hearing, then it almost makes it impossible for them to put it in their side as to why this is a good idea or not.

More importantly, once again, by omitting it, it's not open and transparent. That is the most important part of everything that we're doing here in the Legislature. It needs to be open and transparent. If you're not going to allow the industry and the landowner any notification that you've held a hearing or that you might have a reconsideration with or without a hearing, then there's absolutely no way that that process can be seen as open and transparent. It is imperative that both the industry and the landowner know what's going on, are kept apprised of the process all the way through, and are allowed to have the opportunity to make any changes or adjust their budgets or adjust their business plan to make sure that some of these projects go through.

We know on the government side there's a pretty heavy emphasis on carbon capture and storage. They've invested a lot of money, $800 million, into carbon capture and storage, and I would think that any of those plans that go through – you'd hate to see one of them go off the rails because you had a reconsideration or a hearing that was done with no notice to industry. So it protects industry just as much as it protects landowners. Actually, I think in this case it almost protects industry more because industry is the one who's shelling out a significant amount of money. Given the subsidies that some of these companies get on carbon capture and storage, it actually would protect taxpayers, too, because if they're given the 60 days' notice and need to make some adjustments in their plans, then they have the ability to do so.

Once again, I mean, 60 days' notice is not onerous. It's not difficult to do. It shows that this government is open and transparent. It allows the landowner a say, and it allows the industry a notification, which is a simple process. We notify about many, many different things. You know, in our municipalities they notify when they're going to pour sidewalks. The government notifies when they're going to build anything. If you're going to operate an intensive livestock farming operation, you have to notify all of your neighbours – you have to put out the little billboards, send some notices – and then they have 60 days, usually, 30 or 60 depending on what type of operation it is, to actually reply, and the neighbours around them also know what's going on. Providing 60 days' notice to the landowner and the industry when the regulator may conduct a reconsideration is just really good business practice.

I would suggest that we take a minute to take a step back and seriously consider these amendments. A lot of hard work has gone into them by the hon. Member for Strathmore-Brooks. These are not frivolous amendments. He's put a lot of effort into talking with industry and with landowners. He's just trying to provide better options for a bill that I think could be good but, certainly, could be better. Ultimately, as legislators that's our goal is to make sure that the best bill comes forward to the public and to industry and that we have a win-win.

To ensure that we do that, I think one of the first and foremost issues that we have to deal with is the trust issue. Currently there is a trust issue. The public doesn't trust that when you come onto their land, you're always going to do the right thing. The public doesn't trust that everything that we say is going to happen in this bill is going to happen. That's a reality. That's what we're facing today. We saw it with bills 19, 24, 36, and 50. They are lacking trust in what politicians do, and in order to rebuild that trust, we need to make sure that we don't make the same mistakes that we saw in Bill 50. Bill 50 came back to this House because people literally rallied up and said: this is not an appropriate bill; it doesn't do what you thought it was going to do, and we need to make some revisions. I applaud this government for bringing Bill 50 back and recognizing that it wasn't as good as it could have been.

I think that this is one of those instances where this one certainly could be a lot better and could literally put the government in a position where it's a win-win for them as well. They're clearly open and transparent if they were to provide notice. It's not onerous. You know, it would certainly make the bill better, and it would build public trust in what we're doing here. The reality of it is that what we're going here is very, very important work, but we have to make sure that we're talking about all Albertans, and we have to make sure that we're talking about all industry and the regulators.

I know for a fact that I can't imagine there's a single person in here that if something was going across their land and was affecting their property and may or may not affect what they do with that land or any setbacks or anything else that they wouldn't want reasonable notification that something has changed. It would seem to me that any reasonable landowner and any reasonable industry person would also like that same courtesy.

I would suggest that the government take a look at this amendment and support it as I will. Thank you.

The Chair: The hon. Member for Calgary-Shaw.

Mr. Wilson: Thank you, Mr. Chair. I rise today to speak in favour of this amendment. I think that the intent behind this amendment speaks to an element of fairness when, you know, the regulator is given this power to sort of pull the rug out from underneath others, whether that be industry, whether that be landowners, which seems to be what our caucus talks about quite often over here.

But the reality is that the intent of this bill is to streamline a process, and pulling the rug out from under people has the unintended consequence of potentially bogging things down on the back end. You know, if lawsuits and/or further appeals are held trying to, I guess, challenge the regulator's decision on a

reconsideration, I think that having the ability for evidence to be presented by all parties affected by a reconsideration just simply makes sense, and it will allow this bill to actually fulfill its intent.

9:30

Absolute power is a frustrating animal for anybody and truly can only lead to negative outcomes if not tempered. There is, as the Member for Airdrie suggested, the potential for politics to be at play, again, whether that's a perception or a reality. If a lease is cancelled and it's because a company did something that the government didn't appreciate or if there was, again, an individual within a company that blew the whistle on somebody and then all of a sudden the regulator decided to pull their lease, there is the potential for this perception of absolute power.

You know, I say this sort of tongue-in-cheek, but it relates to a situation we have here, where despite strong evidence and undeniable logic being offered from this side of the floor on many of the amendments that we're putting forward, the regulator on the other side, being the government, at least hears us out. At least you hear us out. You may not like what we have to say, we may not get our way, it may not go our way, but that little token of at least being able to present our case lets us go home at night and sleep well.

I think that that's what this amendment speaks to. It's going to allow those impacted individuals to be able to do that, to have their voice be heard when they are impacted. In the case of industry, where we have millions invested, I mean, this can be a pretty big blow. In the case of an environmental impact assessment being done, that needs more clarity or more – if they need to be at the table, at least having the regulator notify them and hear evidence from all sides just simply makes sense.

I would implore the hon. minister to give this amendment strong consideration because I do believe it just simply speaks to fairness. Thank you.

The Chair: The hon. Minister of Energy.

Mr. Hughes: Thank you very much, Mr. Chair. Just to answer some of the points that colleagues opposite have raised, really this is a matter of practicality. We all know that no one size fits all applications. You know, the ERCB today deals with 30,000 to 40,000 different applications in a year. Some are through in two days, like to drill a well in an existing program. Some take two years, like for a large plant in northeastern Alberta.

To write into the legislation sort of a one-size-fits-all notice of reconsideration perhaps creates a process which is unduly constrained and not responsive, actually, to either landowners or any of the parties: environmental concerns that are raised, landowners, or applicants into the system. Actually, one of the reasons why this section under division 4, Reconsideration by Regulator, is there is that people make mistakes. Sometimes the regulator can make a mistake. You don't want them to be hung up in a very tightly prescribed process in order to correct a mistake that's been done.

So for many reasons, these included, this is best addressed within the regulations, which it will be, Mr. Chair. Thank you.

The Chair: The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair, and thank you very much for the explanation. I will say this. The regulator is the master of its own destiny. That's the way the bill is constructed, and that's what we want in real terms. The regulator will make regulations accordingly, based on this legislation. As with all regulators existing right now, the Alberta Utilities Commission, they are the masters of their own destiny. They have those powers that they can exercise.

This amendment would not hold up the regulator one iota if they have to reconsider. What the amendment says is that they do give 60 days' notice before the reconsideration is complete. What is actually in legislation – and it's consistent across our regulators now – is that if the regulator needs to act, they have the power to act. They do have that power to change immediately, based on the need, but the process itself for reconsideration can still be open so that they can get evidence.

The real key is exactly what the minister said: "Mistakes do get made, and we realize that. Those mistakes need to be corrected." The bill empowers the regulator to correct the mistakes. That I don't dispute. But what allowing mandatory 60 days' notice before the reconsideration is complete does is that that allows for those industry members in particular, those people who want the efficiency of a seamless application process, if they do receive a decision that is going to be rescinded for whatever reason – we can come up with a number of reasons – at least they will have the opportunity of notification and realistically about 60 days before the reconsideration is complete. There's nothing here that says that the regulator upon receiving that evidence might not change their mind.

By putting that there – and you could put any time frame at all in there: 60 days, 30 days, 15 days, or even 90 days; it doesn't matter – the regulator can take whatever action it deems necessary to do its functions. That's already embedded in the act, and it has been embedded in all these regulation acts dealing with the ERCB, dealing with the AUC, dealing with the former EUB. It's all consistent. They had the ability to act.

What this motion just says: you've got to go tell those people who are directly and adversely affected and give them 60 days before your reconsideration is complete. I would argue that the completion is when they file that report. So they have the ability to take the action – let's say that it's in the public interest; I don't want to argue that one again – because of safety reasons, and they have to rescind a licence that they just granted for whatever reason. On the rescinding of that licence, if they give 60 days' notice before they make that reconsideration and close out the formal process – they create the process in regulation, anyway – before the process is absolutely complete, they're allowing at least 60 days here for those people to be notified and to provide evidence.

Now, will the regulator change their decision? Maybe, maybe not. But at least they gave those industry members, those people that are directly and adversely affected a time frame to get evidence together to say: wait a minute; maybe you don't need to rescind that licence.

Of course, it can work in the opposite way, where the regulator decided not to issue a licence and then decided to rescind that decision and issue the licence. Well, somebody has to be in that case probably directly and adversely affected. By giving them notice – and I will say this – when we appeal any of these decisions, that does not stay the order. If the regulator makes a decision to terminate a licence, rescind a licence, or grant a licence, the order is not stayed just because somebody appeals it. That's in the legislation. All that's happening here is that you've created a timeline so somebody can get notice and ample opportunity and let's call it reasonable opportunity to challenge the facts or submit evidence, based on the reconsideration by the regulator.

9:40

With respect to the minister saying that it would unnecessarily create a problem, I do not think so. I think it does just the

opposite. It helps to keep the system seamless so we can deal with an issue. I will tell you it is the mistakes of the regulator that probably cause the most problems, more than any other aspect of the process. It's very frustrating for industry members when they run across a mistake by the board, the commission, or in this case the regulator. That is the whole intent for bringing this bill forward, so that we can eliminate some of those mistakes. Now, the best way to eliminate or at least remediate or even remedy those mistakes is to get evidence, and what better way to get evidence than to notify somebody who may have evidence or may want to bring evidence forward?

The bill itself does what it's supposed to do. The regulator gets to act in good faith, the way the regulator is intended to act. If they have to rescind a licence, they can rescind that licence immediately. They do not have to close that process out on the reconsideration. They can leave the process open, give 60 days' notice, receive other information. Just because they are under reconsideration, they do not have to and there is no right to stay the original decision. It's just not in the act. It's just the opposite. This act is absolutely clear. Just because something is being reconsidered or appealed, there's no staying power there. Not until the regulator makes it final.

All this does is create that one opportunity that opens up a window that others can bring evidence in. Where this is really important is not so much in dealing with landowners and landowner issues; this is in dealing with companies with issues with other companies. That happens. That happens a lot, and they have to deal with those issues. We have this situation where the regulator generally arbitrates in many cases, and if you have that kind of a problem that the regulator is dealing with, giving 60 days' notice, I think, is not just reasonable, but it's ample time.

Now, if you want to shorten it or extend it, I don't think it changes the context of what's happening here. I don't think it burdens the regulator in any way because, again, the regulator's decision – they are the master of their own destiny. If they pull that licence, it's pulled. The decision to pull the licence is not stayed because they are reconsidering it. It is not stayed because it's under appeal. They still have the right to hold a hearing or not hold a hearing. They have that ability. It starts right out in section 34(1).

The whole idea of reconsidering a decision is important, but to try to limit or minimize mistakes I think is crucial to keeping the intent of the bill. I can give an example of mistakes made by a former commission, the Energy and Utilities Board. They were not intentional mistakes, but they were mistakes nonetheless, where the utilities board decided for whatever reason – and you can look this up in the transcripts – not to go by the regulations. Now, I never could understand that when that decision was first made because the utility board made the regulations. The law is the law is the law. Since they made the law, which is the regulation, then they have to abide by their own law even though they have the power to change it. They didn't do that. That was an error, in my estimation, and of course the courts agreed with that. I think that had a process like this been available, where 60 days' notice was given or any notice was given of the change in the decision not to go by the regulation, had they had the opportunity to get input, that could have been prevented.

That's what we want. We want to be able to prevent mistakes. I think this actually assists in helping to prevent mistakes. It does not hold up any decision of the board. It does not stay any decision of the board. It just opens up that process of reconsideration regardless of the action of the board, but it mandates to the board that they have to give notice, and it gives people the opportunity, which, again, is that trust issue. People can live by the decision of the regulator as long as they feel they've got an ample opportunity to be heard fairly. They may not like the outcome, but at least if we have that process that allows them to be heard, that allows them to submit evidence, that they presume is fair and just, then the system works.

I speak in favour of this amendment because of that one principle, that it gives the sense that we're going to open the process up regardless of the action of the regulator, and in that process of 60 days, if they do not submit evidence, if they do not come forward, the regulator closes the process. No decision has been stayed, and we have a seamless application process that has continued forward.

Thank you very much.

The Chair: Thank you.

Are there other speakers? The hon. Member for Cardston-Taber-Warner.

Mr. Bikman: Thank you, Mr. Chair. The bill now reads in section 43, the one we're proposing to amend – and I support the amendment – "subject to the regulations, the Regulator may conduct a reconsideration with or without conducting a hearing." It makes me wonder and I suspect people looking in on us will wonder, too: where are we exactly? Is this eastern Europe? Are our regulatory models Venezuela or Russia?

The regulator shall provide a minimum of 60 days, and as has been eloquently addressed, that seems to be quite reasonable. Corrections could be made in a day if all parties agreed with them and agreed that there's no need to present evidence. That would speed things up, which, clearly, is the government's intent and would be in the best interests of industry, the companies involved, as well as landowners.

This is about property rights, of course, those acquired by energy companies through purchases of leases and mineral rights as well as the property rights of the property owner, the landowner, where relevant, and in some cases, obviously, it will be government itself on Crown lands. It's respect for the rights and investments, the plans that have been made by corporations, their investors. Companies are owned by people. Companies aren't owned by some nebulous entity. It's people. It's people like you and me.

Many times it's part of our RSP or investment program, and we want the certainty that clauses like this amendment will provide. We need that certainty. It restores trust, and it's necessary to initially obtain and to retain investment in our province. It establishes credibility that the government is prepared to create a level playing field, create rules that are just and logical and based on common sense and are realistic. It provides certainty. Certainty is needed when you want to attract people into a market. It's needed if you want them to remain in the market. It's consistency, which is necessary for long-term plans.

Many of the projects that we're talking about require hundreds of thousands of man-hours and millions and millions of dollars to create the plans that are based upon the trust and the credibility of the government to deliver on what it promises, and that's stability. We need to make sure that the things that we do, such as including amendments like this, will give confidence. Investor confidence was seriously wounded when the unilateral royalty changes were made four years ago, and I don't think that trust, the credibility has yet been completely restored. That confidence is still a little bit lacking, and I suspect that some investors may never return to this jurisdiction.

I think that creating this bill will help. Doing the tweaks that we're suggesting and that others are suggesting are just good

common sense, and they'll help restore that confidence and bring investors back because they'll have the certainty that they need. It's all about rights and due process. It's fairly simple, and I think that this simple little amendment will provide what we're looking for to provide a streamlined process or system that companies and landowners can count on.

Thank you.

The Chair: Are there other speakers to amendment A13? The hon. Member for Lacombe-Ponoka.

Mr. Fox: Thank you, Mr. Chair. I stand today in support of the amendment of the Member for Strathmore-Brooks to section 43 of Bill 2, the Responsible Energy Development Act. What section 43 currently states is:

> Hearing on reconsideration
>
> 43 Subject to the regulations, the Regulator may conduct a reconsideration with or without conducting a hearing.

What this member is looking to change it to is:

> 43 The Regulator shall provide a minimum of 60 days' notice of a reconsideration to any landowners, companies, or other persons directly affected by the decision and shall provide those persons with the opportunity to present evidence to the Regulator before the reconsideration is complete.

The way that I read this is that we're just trying to offer in good faith affected Albertans – persons directly affected, landowners, and the industry – the ability to be brought into the reconsideration so that they are able to be part of the process rather than just a spectator to it. Part of the reason why I sought the nomination and why I wanted to be elected was that I was tired of being a spectator. It was time to become part of the process, to help drive change or to defend those issues that are important to me and important to my constituency.

9:50

When we look at things like this, we're talking about Canada's economic engine, the Alberta energy sector. Really, this is what drives our country, this is what drives our province, and it's what drives investment into our province. We want to make sure that this is a stable environment. Myself, if I'm looking to invest, I want to invest in stability. I want to see something that is stable and will give me a return. Well, if you have a reconsideration – you put money into a project, and when you're talking energy, you're talking big money. This is a lot of money that these companies invest and that these landowners and other persons that are directly affected invest into this economy. When you're investing those kinds of dollars, you want to make sure that you have the stability. Then if you are going to be going through a reconsideration, if somebody is going to be looking at your licence, you have the ability to stand up and have input into that process rather than just sitting back and getting told by a regulator what's going to happen.

Any time that I've been involved in a process, I've wanted to have input into it. I've gone to numerous policy delegations, policy AGMs. To just sit back and spectate, it does nothing. You have no ability to sway arguments. You have no ability to have any control over your destiny. All of these entities within Alberta – the landowners, the companies, and other Albertans directly affected by these decisions – they want to have control over their destiny. They want to have control over what they're investing in. To be able to have that control, they've got to at least have some input.

Whenever somebody is talking about reconsidering some of the licences that they've been issued – I mean, when I renew my driver's licence, it's not just that there's a date on my driver's licence. The government actually provides me with a sheet of paper that comes in the mail that gives me notice. It gives me 30 days' notice that my driver's licence is about to expire. With that notice I know that I can go in and see the registry agent and renew my driver's licence. Now, if I have any issues when I go in to renew my driver's licence, there is time because I've been given 30 days' time to talk about or to fight whatever might be there.

With this we're just saying that the regulator has the ability to make a change, make the decision, and notify afterwards. There is no opportunity for input. There is no opportunity for notice where a company, a landowner, or a person can have input into this or even know that it's happening. If somebody is going to pull a licence on me, if I have a business licence, I want to know that that licence might be pulled. I don't want to find out afterwards. I want to find out now so that I can either fight to keep the licence or find a way to move my assets so that I'm not going to be caught unable to do business.

I think the same respect should apply to the regulator under the Responsible Energy Development Act. We're talking about Alberta's largest industry. We're talking about the energy industry. We've got to make sure that we respect all players in this: the landowners, the companies, and all Albertans that are affected by the decisions that these regulators make.

I said earlier that ten thousand regulations can cause people to lose all respect for the law. We don't want to see that happen. We want to make sure that they have the ability to have that notice so that if there is a reconsideration, they may be able to present that evidence to the regulator before the reconsideration is complete, not afterwards, not having to fight to reapply.

It just doesn't make sense. I don't understand why anybody would oppose this. This is just common sense. It's good faith. I mean, we put these things forward in good faith. There are no partisan politics behind these. We are here doing the job asked of us, and we're doing this in good faith. We're putting forward amendments like these that are, I think, very reasonable, and we're doing this because we want to see this bill be passed. We want to see this bill be a strong, strong act and that this new regulator is created and created right. By passing this amendment, I believe we are just one step closer to making this a stronger act.

I'd like to thank you very much for your time here this evening and hearing me out on this.

The Chair: Other speakers? The Member for Olds-Didsbury-Three Hills.

Mr. Rowe: Thank you, Mr. Chairman. Again, I rise to speak in favour of this amendment. Section 42 and section 43 give the regulator the power to reconsider its own decisions at any time and for any reason. There must be some restraints on this reconsideration power. Requiring notification of and a hearing with affected persons, whether landowners, companies, or others, is not onerous when the regulator is changing a decision. It ensures transparency.

It is about due process, Mr. Chairman. This, again, is about respect for all parties concerned, whether you are an energy company, a landowner, or anyone else involved. It's about huge investments that energy companies may make, huge amounts of money being tied up while this process takes place. This bill is about speeding up the process, not slowing it down, is it not? It's about streamlining our whole process.

I imagine myself as a landowner or an owner of an energy company that has got considerable investment in your livelihood, and having that investment put on hold is going to cost an awful lot of money until this is resolved. As was mentioned, we can do that

with our drivers' licences, and in any other number of businesses we don't have to put up with this kind of a roadblock to our success.

I'd urge our fellow members to support this amendment and, as I said, help speed up this process, which is the whole purpose of this bill. With that, I'll close, Mr. Chairman, and turn it over to my compatriots.

The Chair: The hon. Member for Drumheller-Stettler.

Mr. Strankman: Thanks, Mr. Chairman. I'd just like to speak briefly to this. I just find it quite depressingly interesting that there would even be a piece of legislation tabled that reads: "Subject to the regulations, the Regulator may conduct a reconsideration with or without conducting a hearing." Why would the regulator even consider it in the first place? Why would anybody even consider that the regulator would have any credibility? They could change their mind before or after, during, at any time going on. It's not unlike the people's Soviet republic east of me called Saskatchewan, where a lot of people left that province in the middle of the '30s and '40s. One hon. member of a certain political vent left more recently to come to this fantastic province.

When you read this sort of stuff, it just makes me upset. I think that this sort of thing needs to be changed, and this amendment would work in that regard. I wish to speak in favour of the amendment, Mr. Chairman.

The Chair: Thank you, hon. member.

Are there others that wish to speak to amendment A13?

[The voice vote indicated that the motion on amendment A13 lost]

[Several members rose calling for a division. The division bell was rung at 9:59 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Rogers in the chair]

For the motion:

Anderson	Fox	Strankman
Anglin	Hale	Swann
Bikman	Mason	Towle
Forsyth	Rowe	Wilson

Against the motion:

Allen	Hancock	Oberle
Bhardwaj	Horne	Olesen
Brown	Horner	Olson
Calahasen	Hughes	Quadri
Casey	Johnson, J.	Sandhu
Denis	Khan	Sarich
Dorward	Klimchuk	Starke
Drysdale	Lemke	VanderBurg
Fenske	Leskiw	Weadick
Fraser	Lukaszuk	Xiao
Goudreau	McDonald	Young
Griffiths	McQueen	

Totals: For – 12 Against – 35

[Motion on amendment A13 lost]

The Chair: Back to the bill. The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Chairman. I have another amendment to offer, and I will await your direction to make the motion.

The Chair: Okay. We'll circulate the amendment, hon. member, and I'll give you a chance in a few minutes to speak to it.

This amendment, hon. members, will be A14.

Hon. member, you may speak to the amendment.

Mr. Mason: Thank you very much. [interjections] These Tories are very tricky, Mr. Chairman. You always have to be on your guard. Let this be a lesson.

The Chair: Hon. member, it sounded like someone was calling the question. Proceed, hon. member.

Mr. Mason: All right. Mr. Chairman, I will move that Bill 2, Responsible Energy Development Act, be amended by striking out section 21 and substituting the following:

> Consultation with aboriginal peoples
>
> 21 The Regulator shall ensure adequate consultation occurs with aboriginal peoples in accordance with existing treaty rights.

I move this because the current bill includes a caveat, section 21, that states that the Alberta energy regulator has no jurisdiction to assess the adequacy of Crown consultation with regard to rights associated with aboriginal treaty rights protected under part 2 of the Constitution Act of 1982. The amendment will ensure that the new regulator takes responsibility for ensuring that applicants have adequately consulted aboriginal people according to their current treaty rights.

Currently section 21 of this bill abdicates all responsibility for ensuring adequate consultation with aboriginal peoples by deferring to the Constitution Act of 1982. This is insufficient reasoning due to the fact that the responsibility for the development of energy resources in Alberta falls under provincial jurisdiction, and the regulation of this development will, according to this bill, fall to the single regulator.

The bill as it stands places responsibility with the regulator when it comes to hearings, decisions, and appeals with regard to energy resource activities. It also places the responsibility with the regulator when it comes to communication of decisions, section 33(2). Therefore, it stands to reason that adequate communication and consultation of applications to aboriginal people should be ensured before decisions are made. Alberta's First Nations Consultation Guidelines on Land Management and Resource Development, 2007, states that it "acknowledges a duty to consult with First Nations where Alberta's actions have the potential to adversely impact treaty rights." That's something that this government signed onto, Mr. Chairman. Seemingly, it's been forgotten. The Department of Energy should ensure that the spirit of this commitment is enshrined in Bill 2 despite the regulator not being an official agent of the Crown.

Currently section 21 brusquely shirks its responsibility to engage with aboriginal peoples by deferring to the Constitution Act of 1982. Although this section may be legitimate according to jurisdictional responsibilities, it sends a negative message, in our view, to First Nations communities, who very likely will be affected by many of the decisions of the proposed regulator in this bill. The regulator should therefore take responsibility to ensure that all consultations and communications have taken place when it comes to energy projects defined in Bill 2.

Mr. Chairman, I would urge all hon. members to support this. I think that it makes eminent good sense. Thank you.

10:10

The Chair: Thank you, hon. member.

I look for other speakers to the amendment. The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you, Mr. Chairman. I stand in support of this amendment. I think that if there's one area where we could actually improve the image of Alberta, improve our relationship with First Nations, improve our consultation process and the accommodation process that's supposed to go along with the consultation, it's in the area of aboriginal consultation. There's an opportunity here to strengthen what has been seen both provincially and beyond the province, even internationally, as being a travesty: the way that we in this province allow First Nations to have token consultations in a lot of these energy developments, often after the forest has been cleared, as we discovered a couple of years ago in a line that was seismiced and cleared without the awareness of the First Nations band.

There's an opportunity here to strengthen, I guess, and enhance and actually show the world and show our First Nations people that we are going to go the next step, that we are going to actually encourage and require our regulators here to not only assist with and facilitate consultations but ensure that they are communicated well and that there is a genuine effort, a visible effort, a way of communicating how the accommodation is going to happen with First Nations issues. I think it will be a real lost opportunity if we don't step up as a province and really show some leadership in this area, which has been such a thorn in our side and such a challenge, I guess, to our credibility as a province, that we're serious about First Nations issues.

I hope other members will see the opportunity here. It may not be essential, but it is an opportunity to really show both our First Nations and the rest of the world that we're going to lead, not drag our feet in terms of consultations and accommodation of First Nations' interests. We're going to bend over backwards and ensure that we have a strong agenda that is not going to exploit, that is not going to take advantage of the lack of technical support in First Nations, the lack of manpower, the lack of understanding in some cases, and the distance from, you know, good technical support or the distance in some cases from some of the consultations that would occur. Let's show leadership on this particular and very sensitive issue.

Thank you, Mr. Chair. I encourage all others to at least get into this debate. This is an important issue for Alberta.

The Chair: Thank you.

The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair. The issue of aboriginal people is quite interesting. We're talking about a bill here for streamlining the approval process and the extraction process. There was an article written – I wish I had it in front of me; I just read it last week – that talked about First Nations, Métis, and Inuit. It went looking throughout northern and western Alberta at issues dealing with aboriginal peoples and the development of energy resources. The thing that was dominant in that article was that the lack of consultation and the lack of respect for aboriginal people were two things that caused more problems than not.

I have to tell you that putting the onus on the regulator just to ensure that they consult according to existing treaty rights – I cannot speak for, you know, First Nations people on the various treaties and what treaty sections they have, but I will tell you this. The relationships I have with various bands has always been around the issue of their treaty. When I dealt with the Montana band in Hobbema – I have a relationship with a number of the members of that band – their treaty rights were paramount. I met with the O'Chiese, which are new to me because they're new in my riding; my riding changed in the last election.

I sat down with the O'Chiese band, and I spoke with the elders. Again, in that same conversation the thing that stands out to them most is their treaty rights. That is something that they are just tremendously cognizant of. It was interesting because one of the suggestions to me was: did I read the treaty? That's what they go by.

I don't see where this amendment changes a whole lot. I don't see where it puts a great onus upon any company or even the regulator itself. It just makes sure that the mandate is there, that we are cognizant of the treaty rights. That, to me, is a public relations gain as much as it is the idea of respecting individual First Nations and aboriginal people, the Inuit, and the Métis. This is what we've talked about time and time and time again.

I know one of the biggest problems we have is not so much on the reserves but what we refer to as traditional lands. That's that grey area. Various bands will tell you that that is not a grey area. That is their traditional lands. How do we deal with this? The right way to start down the path to deal with it correctly is to respect their existing treaty rights. All this is saying is that when the consultation occurs, "the Regulator shall ensure adequate consultation . . . in accordance with existing treaty rights." That, to me, is not something that's going to get in the way so much of the seamless approval process; it's something that's going to enhance it. In the end if we do not show respect or if it's assumed to be disrespectful, we're going to have a problem in doing the things that we want to do to develop these resources.

These treaties now have been in place. The experts generally on the treaties are not so much the white man as they are the aboriginal peoples. They are the experts. I'm not sure how many people here have read treaties. I found out there's not too many people that do. Their existing treaty rights are paramount, and they're fundamental to our relationship in dealing with these different bands. Being disrespectful about them is not helpful in the matter. This is important to them. It's important to their independence. What we're trying to do is create an energy regulator that is a one-stop-shop process to get these projects approved and up and working. To be respectful of First Nations, to be respectful of aboriginal people is a right step in that direction.

The way the existing law is read puts it all on federal. I'm not so sure, considering that this is a provincial regulator, that the provincial regulator does not play a role in this. We're not asking the provincial regulator to overstep the boundaries. What we're saying is that they respect in accordance with existing treaty rights. That consultation is something that has to be done every day in a number of areas.

I will tell you that right now in my riding alone there is consultation going on with these bands dealing with their own economic independence on a number of different issues. Sometimes they wish the consultation would go better. I think that's the key word. They want the consultations to go better. This is putting the onus on the regulator to make sure that they understand that and that they take that into consideration. They're only being asked to respect the existing treaty rights. It's not about adding anything more. It's about just putting respect into the legislation.

Thank you very much.

The Chair: Thank you.

The hon. Associate Minister for Services for Persons with Disabilities.

10:20

Mr. Oberle: Thank you, Mr. Chairman. Just a couple of brief comments, and I certainly stand to be corrected by the hon. minister. With respect to the gentleman opposite I think you may

be reading the situation backwards, exactly opposite to what your intent is here, and I'd bet you that we have the same intent. The Crown has a duty to consult. By virtue of the Transfer of Natural Resources Act that duty falls upon the province. The province cannot abdicate or delegate that responsibility. Well, we can delegate, but we don't give up our responsibility to do it. We cannot abdicate our responsibility, and I would suggest that your amendment suggests we do exactly that, to make the regulator responsible to ensure adequate consultation. That is our duty under the Constitution, and we cannot abdicate that.

I further suggest that the very fastest way to make the aboriginal community, the First Nations, very upset with us is an attempt by the government to abdicate that responsibility. We retain it. We know we retain it, and that's why we're clarifying that the regulator does not retain it. That is the intent of this clause.

The Chair: The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Mr. Chairman, if I could ask the hon. minister how exactly consultation takes place when decisions are made by the regulator. Those decisions in some cases will affect aboriginal rights, First Nations rights. How, then, do those rights and that consultation take place when the regulator is making decisions?

Mr. Oberle: I'm sure the member would be aware that through the Minister of Aboriginal Relations we have an ongoing, constantly revisited consultation policy with the aboriginal communities. They have input, and we have input. Those matters are negotiated, and there's a protocol established on how we consult with First Nations. We've always done that. On all projects we consult with First Nations. That's a constitutional duty. That's nothing, as I said, that we could abdicate. We do it, we continue to do it, and the manner of our doing that is subject to continual negotiations between our government and those governments. That's kind of the point. They're looking for government-to-government negotiations. That's what they have in establishing the aboriginal consultation policies that we have.

The Chair: The hon. Member for Cardston-Taber-Warner.

Mr. Bikman: Thank you. I appreciate that clarification. It's reassuring. As the MLA for the largest First Nations reservation in Canada I've had consultations myself with Chief Weaselhead and the band council. They do want and need that respect. They are noble people, as you all know, and have a proud heritage. They want to have a say in decisions that affect them, so it's important that we are working closely with them and consulting them on anything that impacts them as a people and their own treaty lands. I think that this amendment helps make that happen. It helps ensure that it will. With the regulator being an agent of the government, I think it's useful to include this. I believe that the chief and the band would like to make that point with you.

The Chair: Other comments?

Seeing none, I'll call the question on amendment A14.

[Motion on amendment A14 lost]

The Chair: We'll move on to debate on the bill. I'll recognize the next speaker, the hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Chairman. I have another amendment, which I will pass down to the table, and I await your instruction to proceed.

The Chair: Hon. members, for the record this will be amendment A15.

Hon. member, you may proceed to speak to your amendment.

Mr. Mason: Thanks, Mr. Chairman. I think this is an excellent amendment. I would recommend it strongly to all hon. members. I think it improves the act immeasurably and would urge all hon. members to vote for it.

The Chair: Other comments on the amendment?

Seeing none, I'll call the question. Oh, the hon. Member for Airdrie. You've got to be quick.

Mr. Anderson: You've got to be quick. You've got to get going.

The Chair: You've got to be quick, sir. Please.

Mr. Anderson: All right. Well, obviously, this amendment deals with section 101, so, everybody following with their own bill binder at home, please turn to section 101, and we'll figure out what the heck this amendment even says. I just like to know what the heck is going on before we vote on these things. Oh, boy, this is a long bill. Page 74. Good grief. Okay. Yeah. Here we are. The minister of persons with disabilities was bang on. It's 74. I've just got to start listening to you from the start. I should have done that before, too, frankly.

Section 101(12).

> Section 36 is amended
> (a) in subsection (1)(a) by striking out "and the Department of Environment";
> (b) in subsections (1) to (3) by striking out "Board" wherever it occurs and substituting "Regulator"

It appears here that they want to strike out clause (a), which is "and the Department of Environment." I guess I'd just like a little bit more explanation from the member bringing the amendment as to why this is important. I didn't get it the first time, so if you could explain this. I'm seeing it. I want to believe you. I just want a little more explanation.

Mr. Mason: Well, thank you so very, very much for that. Mr. Chairman, I can assure the hon. member that there are very sound reasons behind this amendment. I'm sure if he reads the bill carefully and the amendment, being a lawyer, it will become clear to him, as it is to me, the value of this amendment, which he should vote for.

The Chair: It would seem that the Member for Rimbey-Rocky Mountain House-Sundre could offer some clarity. Maybe not. Maybe the Member for Strathmore-Brooks could offer some clarity.

10:30

Mr. Hale: I know what it is, Mr. Chair.

> 36(1) When a substance escapes from a pipeline and it appears to the Board that the substance may not otherwise be contained and cleaned up forthwith, the Board may
> (a) direct the pipeline operator or licensee, or those pipeline operators or licensees who in the opinion of the Board could be responsible for a pipeline from which the substance escaped, to take any steps that the Board considers necessary to contain and clean up, to the satisfaction of the Board . . .

This is what he wants to scratch: "and the Department of Environment."

> . . . the substance that has escaped and to prevent further escape of the substance.

It sounds to me like you just want to get the ministry of environment out of any . . . [interjections] I have the Pipeline Act. It looks to me like section 101 is the Pipeline Act, correct?

The Chair: Through the chair.

Mr. Hale: Sorry.

In here it talks about the Pipeline Act, and your amendment says in section 101(12) that section 36 is amended in subsection 1(a) by striking out "and the Department of Environment." You want to put that back in. You guys are taking it out, so the department of environment doesn't have anything to do. You want to put the department of environment back . . . [interjections]

The Chair: Hon. members, if we can have one conversation through the chair, I'd appreciate that.

Thank you.

Mr. Hale: I really don't have any other comments than that. Just to kind of clarify it because there seemed to be some confusion there with the member's amendment that he was putting forward. I don't know if that helped at all or not, but it's dealing the Pipeline Act and with the ministry of environment if there's a spill.

The Chair: Are there any other clarifications that might be offered before we call the question?

The Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Of course I'm going to get up. Thank you, Mr. Chairman. I will tell you it is just unnecessary, and that's why it's being struck. It should go to the Minister of Environment and Sustainable Resource Development or to the Department of Energy, one or the other. But the reality is . . .

An Hon. Member: It's garbage.

Mr. Anglin: Well, it isn't garbage – well, it is garbage. It's in the law at the moment, but it means nothing.

That's why it's being struck. Does it need to be in there? Not really. Should it be struck? Sure. It should be replaced, and I'll let the hon. members figure out how they want to fix their bill and the language on that.

Thank you.

The Chair: Thank you.

Are there any other offerings?

I'll call the question, then, on amendment A15.

[Motion on amendment A15 lost]

The Chair: We will move to continue further debate on the bill. The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: I have more.

The Chair: Do you wish to offer another amendment, hon. member?

Mr. Mason: Yes, I do.

The Chair: Please proceed. Hon. members, for the record this will be amendment A16.

Hon. member, you may speak to the amendment.

Mr. Mason: Thanks very much, Mr. Chairman. I move that Bill 2, the Responsibility Energy Development Act, be amended as follows: (a) in section 86(13), in the proposed section 49, by striking out subsection (2); (b) in section 91(6), in the proposed section 19, by striking out subsection (2); (c) in section 97(29), in the proposed section 110, by striking out subsection (2); (d) in section 99(11), in the proposed section 26, by striking out subsection (2); (e) in section 101(16), in the proposed section 54, by striking out subsection (2).

Now, Mr. Chairman, in speaking to this, the amendment ensures that the increases in penalties under the Coal Conservation Act are actually enforced by the regulator in all cases where an offence has been proven. The government has been touting this bill by referring to the increase in upper limits to fines that can be leveled against corporations and individuals who contravene agreements with the regulator. The section that we are amending currently gives the regulator much too broad an avenue for interpretation of what offences should be fined.

Without absolute offence fines, which can range from lower to upper limits, corporations or individuals may take liberties with the agreement signed with the regulator. Without absolute offence fines that must be levied by the regulator, the regulator will not be inclined to levy fines in cases where an individual or company may have access to strong legal resources. The administration and legal costs associated with distinguishing between offences that are fined and offences that are not is unnecessary. Instead, the regulator should determine in advance the guidelines that determine the amount of a fine associated with a particular offence and commit to those guidelines, Mr. Chairman.

That is the purpose of this amendment.

The Chair: Are there any other speakers on the amendment?

[Motion on amendment A16 lost]

The Chair: We're back to the bill. The hon. Member for Strathmore-Brooks, you have an amendment?

Mr. Hale: Yes, I do, Mr. Chair, and I have the copies.

The Chair: Please send that to the table. Thank you.

This amendment will be A17, hon. members.

Hon. member, you may speak to amendment A17.

10:40

Mr. Hale: Thank you, Mr. Chair. The amendment that I am proposing amends section 5 in subsection (1) by striking out "2" and substituting "4" and (b) by adding the following after subsection (1):

> (1.1) Members appointed to the board of directors of the Regulator shall include at least
>
> (a) one individual with demonstrable expertise in property rights,
>
> (b) one individual with demonstrable expertise in environmental conservation, and
>
> (c) two individuals with demonstrable expertise in the energy industry, each in different sectors of the industry.

Mr. Hancock: Can they all do the same kind of thing like Joe?

Mr. Hale: Well, no, because it went from two to four, so you'd have to clone Joe into four.

This amendment deals with the makeup of the board, obviously. I know we have put forward a similar amendment dealing with the expertise of the transition committee; this one deals with the board. I know that the hon. Energy minister has mentioned that they want to have experts with corporate business experience to run this, not necessarily industry experts. I'm pretty sure that we could find in the province of Alberta experts in all of these fields

that have very expansive business sense. Many of the oil companies are run by just tremendous individuals that could be put on this board of the regulator. The same goes for the environment. I mean, there are many, many people involved in the environment, that have a vast knowledge of the environment, that know how to run a business. Same as with landowners, you know, they all run businesses. Many, many of them are very, very successful and run it as a business.

I think we really need to look at the makeup of the board. We need to ensure that all aspects of Alberta that are affected by this bill have representatives that can make decisions with regard to how this bill operates. You know, we mentioned in here two individuals with expertise in the energy industry, in different sectors of the industry, specifically so that someone with a vast knowledge of the oil sands can be on the board, someone with a vast knowledge of conventional oil and shallow gas, that knows how to deal with those plays can be on this board, so they can bring their knowledge forth.

This allows for openness, transparency, accountability. If this board is picked through an open process – and I know the hon. Energy minister has stated before that there will be notices sent out, you know, they'll take in applications. But, ultimately, it comes down to his decision.

We would just like to see these different sectors of this energy industry, different sectors of Alberta that are involved in this bill be allowed to be on this board. You know, there are so many great people in this province of Alberta that have vast knowledge in all of these sectors, that know how to run a business, that will do very well running this business. I think it's something that needs to be looked at. What better wealth of knowledge, dealing with the issues in this bill . . . [interjections] It's not that funny, is it? This is serious business. We're talking about the future of Alberta. You can fill me in later.

I'm expecting some robust discussion again with the makeup of this board, and I hope you guys will take into consideration the makeup of the board and really think deep and hard on what's best for Alberta and, ultimately, best for Albertans and taxpayers and us as a government. You know, if we can put this amendment in, we can say: "Hey, look. We did it right. We did what's best for Albertans." I feel that putting this amendment in will help achieve that and it will help achieve the theory of this bill, which is to do what's right for the energy industry, to do what's right for all Albertans, the landowners, the environment.

You know, we've been saying it over and over again. We support the theory of this bill, but there are some changes that need to be made, and this is one of the significant changes because these are the people that will be running this regulator. It's very, very critical to have the right people in place, to have the right people that know the industries.

I hope you will consider this amendment. Thank you.

The Chair: The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thanks very much, Mr. Chairman. I'm happy to get up and debate this particular amendment. You know, I appreciate what the hon. member and what the Wildrose caucus is trying to do here. They're trying to make a silk purse out of a sow's ear because they find themselves in a bit of a jam here. This bill is fundamentally going to harm the interests of property owners in this province, and it's going to do that for a single reason, which is also the basis of the bill, which is to eliminate dual oversight of oil and gas operations in this province and to remove environmental oversight of those operations, which is fundamentally what it is that represents the attack on landowners' rights because they will no longer have protection. You cannot protect the rights of landowners if you cannot protect their land. This is the fundamental flaw of the bill and the reason why you can't have it both ways.

Those people on the other side long ago decided that when it came to the difference between protecting rural people and their property rights and the oil and gas industry, they know exactly what side they're on. They know where their bread is buttered. They know who finances their political parties and the major economic interest that they support.

We had Bill 50, we had Bill 19, we had all of those bills, and the Wildrose made great hay out of it when they were a small caucus leading up to the last election. But now the Wildrose needs to make a choice. The Wildrose needs to decide which of those masters they're going to serve because you cannot do both. You can try these amendments all you like, and you can put somebody on there with property rights, but when you take away environmental oversight of the oil and gas industry, you open up the property owners of this province to devastating attack. You cannot fundamentally deal with it except to vote against it.

You know, I think there are a lot of people, a lot of rural people, a lot of property owners that are pretty much up in arms over this bill. I don't think they're going to judge the response of the Wildrose as adequate to their needs. Certainly, the response is quite different than the case before the election, when all the organizing took place around Bill 50 and Bill 19 and so on.

I want to be very, very clear on this. I do not believe that even if the Tories pass these amendments, which, of course, they're not going to do, putting one individual with demonstrable expertise in property rights is going to fix the fundamental flaw of this bill. This is a bill that gives the oil and gas industry a free ticket to go pretty much anywhere they want and do anything they want on anybody's property because the basic protection of environmental protection is being stripped away. As long as that's happening, this bill will represent an attack on property rights. I can assure you that if the Wildrose won't stand against Bill 2, the NDP will.

Mr. Anderson: Well, that was a passionate speech by the passionate leader of the NDP caucus.

You know, what's great about our party is that we actually do believe that the secret to the success of Alberta is that the rights of landowners and the need to develop our energy is not a mutually exclusive interest. In fact, we feel that by industry supporting the rights of landowners and landowners supporting the need to develop the resources on their lands, all Albertans benefit in this province. That's what makes our province unique, I think. It's that we feel that those interests are not mutually exclusive at all. In fact, we think that they build on each other. We think that that is critical.

What we do think, though, and where I want to make it clear that we have agreement with the NDP is that this bill is not acceptable as currently written at all. This amendment would improve the bill, but the flaws in the bill are absolutely such that it's going to make it impossible to support this bill. We feel this bill as currently written is terrible for landowners. It doesn't take into account environmental concerns. It doesn't allow landowners to have a right of appeal to the Environmental Appeals Board, and that's necessary if we're going to develop our resources in a responsible way. We think that taking those rights away from landowners is a mistake.

10:50

We also think that this bill is not going to help industry that much anyway because it does not set clear timelines and timetables for giving the answer of yes, no, or yes with caveats.

As I said earlier, oil and gas companies want the answer. We understand that sometimes the answer is going to be no. They understand that sometimes the answer is going to be no if they haven't done their homework or if it's not a project that's going to be environmentally responsible or responsible to landowners' rights and so forth. But the point is that they need to know. They need to know yes, no, or yes with qualifications, and they need to know it within, probably, a period of about six months so that they can make the decisions that they need to make and move on.

This bill does not, I think, guarantee industry what it needs, which is certainty within the regulatory process. I think that it's window dressing. I think it's a rushed attempt to create a pro-energy bill that would be helpful to the energy sector, but I don't think it accomplishes that at all.

However, it also does a double bad in that it hurts the rights of landowners even further than they've already been injured. There's no way one can look at this bill and see the processes, the rights of landowners that have been taken out of this bill and say that this is a pro landowner, pro property rights bill. It just simply is not. It does not protect the rights of landowners sufficiently. It does not streamline the process and guarantee industry an efficient and streamlined process that's going to be shorter than the regulatory gridlock they face right now. It does not effectively protect the environment.

What's so frustrating about this whole process is that this bill, if we had done it properly, if we had referred it, taken the work that the Minister of Environment and SRD had done on it, which was good work, good preconsultation, very good work, absolutely, minister – the work that she had done was a good start to things. That draft that had been circulated in first reading, if we had then put it to a committee where we could have brought in legal experts, environmental experts, property rights experts, folks from the industry – we could have brought them in. We could have had a discussion, and we could have come up with a bill that was pro industry, that respected the rights of landowners, and that respected our need to develop in an environmentally sustainable way. We could have done it.

Unfortunately, we have a mess before us, and the government has shown total unwillingness to deal with it. They could have hit this out of the park. It could have been a home run. Instead it's a foul ball. That's right. It's a foul ball. Since the NHL is still on strike, we're not going to use NHL hockey metaphors out of protest in this party. Because the NHL is not on, we're going to use nothing but baseball metaphors until the NHL is back on. So no more foul balls from this government. That's it.

I'm sure the NDP would like to claim the mantle of protecting property rights, wrestle it from the Wildrose, but we're willing to share. That's the thing. We're willing to share that with anybody, with the government, in fact. We're willing to share that.

Mr. Mason: We did it before you even existed.

Mr. Anderson: That's right.

The Chair: Hon. members, through the chair, please.

Mr. Anderson: Anyway, we're happy to work with any party on protecting landowner rights, making the regulatory process more efficient for energy, and protecting our environmental responsibilities, but this bill does none of those things.

Therefore, I think this is a fantastic amendment, one that shows those three balancing interests. Members to this board of directors of the regulator should include at least

(a) one individual with demonstrable expertise in property rights,

(b) one individual with demonstrable expertise in environmental conservation, and

(c) two individuals with demonstrable expertise in the energy industry, each in different sectors of the industry.

I think that's a very good compromise. That would make sure that this board is robustly hearing all of the interests at stake here: environment, landowner rights, industry. They would make decisions that were well thought out, that were for the good of this province, instead of what I have a feeling might become just another political board appointed generally, a lot of times anyway, out of patronage or at least opens up that danger.

There have obviously been good folks that have served on those regulatory boards in the past, but there have also been many political appointees. This makes sure that if they're going to do political appointees, they at least have some experience in the areas that matter. Hopefully, the government will take that responsibility seriously.

So I hope people will absolutely support this amendment. It's a great amendment, hon. Member for Strathmore-Brooks. Thank you.

The Chair: The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair. I will actually disagree with my own House leader. It's not great. It's not fantastic. It is a last-ditch attempt to try to protect property rights. It would be great, it would be fantastic if it were true that property rights and the public interest were in this and the environment was protected, but that's all missing in the bill.

I will tell you this. It is interesting because I know that the hon. minister wants to have this umbrella of experience on the regulator. I will tell you from first-hand experience that so do interveners when they go to hearings. As I mentioned, I think, the other day when we were discussing something about board panel make-ups, we had asked in 2006 that when we were dealing with a farming issue, there be at least one person on the board panel who had agricultural experience. What they gave us was a board member whose only agricultural experience was getting arrested for a grow op in 1969. The standard comment at that meeting was that at least that person dealt in a cash crop.

But we missed the opportunity here. It was important to all those farmers in that hearing that somebody understood what their concerns were. That's so important. Here we are putting together a regulator with expanded powers, more so than ever before, and the purpose is to try to streamline. We do need the expertise that is as expansive as the bill is intended to be, so that is important, putting it into legislation. If the minister would like to respond: how large should it be? I think we put a figure down here of four. The bill actually had two originally. What is appropriate? Looking at four seems acceptable to me. It could be six. This is complicated in many ways. But to ask for a spread of experience, then it seems likely that we would raise that number from two to four, so we would get that. I would even go further, take it to six, if that was something that the minister wanted to deal with.

Dealing with the amendment the way it's written, we would expand at least to four members and have this experience laid out in legislation so that we don't get a grow op operator listed as having agricultural experience. We take it seriously.

Mr. Denis: We're working on that.

Mr. Anglin: You're working on that. That's right. You're Justice, and you have access to that information, too.

It is, I think, paramount to the confidence of the public to create

that trust that we talk about creating, that this type of experience be mandated to be represented in the regulator. When these complex issues are brought forward – and they are complex, very much so – at least there are people with certain expertise represented who can understand without going through a massive learning curve. [interjections] Okay. But they would know, and they could help and assist the board process.

11:00

How else are we going to deal with this? I know when we spoke with the minister both in private – and I believe here, and I'll stand corrected if he didn't – the minister stated that he would like this umbrella of experience, that he would be in favour of this. I don't understand why we would agree in principle that this is what we would want but not put it in legislation. I don't see where the harm is in getting it in writing.

With the experience that I've had in front of boards multiple times, I think if we had a broad umbrella of experience, some of the problems that we experienced might not have happened. That's theoretical. I mean, we don't know that. But having experts in different aspects of this discipline – and this is the discipline of streamlining the process – I think is important not just in the sense of dealing with the public or dealing with even industry but dealing with making sure the process works effectively. I think this is what the hon. member is intending to do from what our discussions were. Why wouldn't we put it in writing in the legislation to make sure it guides us when we appoint these regulators and we create the board? I think that's really important.

Moving forward, this amendment doesn't inhibit or restrict or impede the process of developing our resources. What it does is grease the skids so this thing can happen seamlessly, with the knowledge in place that would allow this to happen. All it is is a mandate to make sure that we do it, that we see this board properly and have that experience in place so that it is guided properly. This is an important task not just for the board but for the province. I know the hon. member will be looking for the most experienced people and the most credible people to try to make this work, but to mandate that we have this individual expertise represented I think is going to complement the system that much more.

Thank you very much, Mr. Chair.

The Chair: Thank you, hon. member.

The Member for Olds-Didsbury-Three Hills.

Mr. Rowe: Thank you, Mr. Chairman. I believe this amendment is fundamentally a key component to the success of the board and therefore the bill itself. In my 11 years as a municipal politician I served on a number of provincial boards starting with the AUMA board, which a number of the members in the House here were also a part of. I'll put a plug in for the AUMA, saying that without AUMA experience many of us probably wouldn't be here. What was key to the AUMA board's success was the diversity that that board encompassed, and that was representation from every size of urban municipality in the province, including summer villages right up to the cities of Calgary and Edmonton. That's what made that board and makes that board today a success.

We also in that time on AUMA established AMSC, the Alberta Municipal Services Corporation. It was part and parcel of that. Again, when we did that, we looked for outside experience to come to our board and help guide us through that process. Those were lawyers, accountants, businesspeople that gave us what we needed to make that board a success.

Carrying that theme right through, the Municipal Affairs minister will attest to the success of the Safety Codes Council, that I served on for, I think, seven years or something to that effect. Again, we brought together a diverse group of individuals in all aspects of the building trades: lawyers, accountants, builders, and so on. Today that new board that was formed is a huge success.

I sat on the Beverage Container Management Board. Again, we had representation from all of the fields that that would encompass: pop, beer, milk cartons, and so on. We had all of those people at the table, and that's what made that a success.

So if you delete the expertise that we're recommending here from that board for that regulator, I can't see it helping it at all. It can only add to the effectiveness of that regulator if we have those people sitting at the table helping make these decisions.

I would urge we accept this amendment. It can't hurt. It can only help the whole process.

Thank you, Mr. Chair.

The Chair: The hon. Member for Calgary-Shaw.

Mr. Wilson: Thank you, Mr. Chair. I appreciate the opportunity to rise and speak in favour of this amendment. We saw something similar to this a couple of weeks ago in a subamendment that the hon. Member for Strathmore-Brooks brought forward. It made sense then. It makes sense now, I think, even more so today than it did then.

Again, the name of the bill is the Responsible Energy Development Act. If the intent of this is to streamline a process, be responsible, and have these three parties find a way to make energy development in this province work in the future and be streamlined, then the best way to do that is clearly outlined in this amendment. You know, the reasons for it have been discussed. Obviously, we need to take care of responsibly developing the resource that our province is funded by, we obviously need to take care of the environmental aspect when developing that resource, and we obviously need to be aware of landowner rights as we're doing this.

Again, there are flaws in this bill, but having this written into the legislation and not just added as a regulation after the fact on the hon. minister's word that that would happen and that the intent of this amendment would then follow through as they were choosing the board: that's all well and good for today. Maybe that's all and good for 12 months from today. But this act is going to be in place for four, eight, 10, however many years it will be around for. So having this in the legislation ensures that moving forward, that board composition always has the core components to ensure that decisions are being made with input from the three major components. You know, I look at it as sort of like a triangle trying to balance on a ball. If it tips too far in one of those three directions, it's not responsible energy development.

So having this in the legislation just simply makes sense, and I do look forward to hearing the minister's reasons as to whether or not it will be accepted or if they would like to further discuss this. But, again, I think if the intent of this act and the intent of Bill 2 is to move forward and ensure that we are developing our resources properly, with a single regulator that streamlines the process and is still aware of the environmental side, the landowner side, and well aware of industry, this is definitely a key component to it.

Thank you.

The Chair: The hon. Member for Drumheller-Stettler.

Mr. Strankman: Thanks, Mr. Chair. I may be using harsh words going forward here, but I feel I'm capable. Absolute power corrupts absolutely, and I don't understand what the level of fear is that's being propagated that we wouldn't allow this board or

these representatives to be elected. I have an hon. member who has spoken against me on that, and I understand his opinion, but we have a new opportunity here to make some serious changes. This is called the Responsible Energy Development Act. It's going to be historical for the province, and I understand the want and the willingness of the government to come forward with a streamlined regulation.

On our side of the House we understand that, and we are wanting the same thing. I don't understand why this government has a fear to want to even come forward or accept an amendment where we would ask for people who have demonstrable expertise. We were all chosen here by the people of our constituencies based on democracy, and I don't understand why this government is hesitant to bring this sort of thing forward. Is it based on fear? What's the motive here?

In that regard, I would speak in favour of at least some movement towards accountability to the people that this act is designed to serve. I speak in favour of the amendment.

11:10

The Chair: Thank you.

The hon. Member for Cardston-Taber-Warner.

Mr. Bikman: Thank you. I'll be as brief as I can. I appreciate the amendment, and I compliment the hon. Member for Strathmore-Brooks. I think it's an excellent amendment. It provides the regulator with people who will be resources to him or her, and you can never surround yourself with too many good people.

It's specific. It removes arbitrariness, whimsy, or partisanship in the selection of this board, so it passes that test of transparency and accountability, and I think that's a terrific thing. It sends a message to those who are concerned with some of the omissions in the act and to some people who feel threatened because of that. I suspect that some of them are your constituents, too, if you have the courage to speak for them.

One of the sharpest administrators, human resource people that I know has identified six characteristics that every good organization will look for in its people, and he's had tremendous success in creating highly efficient and effective teams that have taken on tasks that are world class. He has recently been identified and complimented for his accomplishments as being world class and is consulting with businesses in Asia, Japan in particular. I think that speaks to his qualifications.

He identifies six things that we ought to look for in people that we want to surround ourselves with when we're trying to create effective teams. And that's what we want. We want an effective team of people that will work with our regulator to make this Responsible Energy Development Act that streamlined process that will accelerate approvals and restore confidence in our province and attract investment back to it at the same time as it reassures our property owners that their rights are going to be protected. This amendment addresses that with the composition that it suggests would be ideal, and I submit to you that it is ideal.

Here are the six characteristics that we look for, in order. Number one, integrity. Nothing is more important than being trustworthy, reliable, dependable, truthful. That's the characteristic that we look for first in anybody that we want to work with us to help us accomplish good tasks.

The second thing is that they need to have motivation. They'll be self-motivated. They'll have the motivation to work towards the task without having to be prodded unnecessarily or nagged.

The third thing we look for is capacity. That's the ability to learn, to develop the skills that they'll need to be effective in this job.

Understanding: understanding of the demands of industry, understanding of the demands of the property owners and their rights, understanding the environmental needs and concerns as has been so well articulated tonight by the hon. Member for Airdrie.

We want that person to have knowledge, so formal training and instruction of some kind or another as well as experience.

Now, experience is the sixth qualification in order of importance because the last thing we would want would be to put that first and have somebody who was not honest or didn't have integrity but was highly motivated and intelligent and had capacity and understanding but didn't have integrity. That's a disaster.

Now, the only reasons that I can think of for the government to reject this amendment would be, number one, that you've got a hidden patronage agenda. You want to stack this board in some way or another. The second thing might be simply fear of having to acknowledge that good ideas can come from other sources than yourselves.

Thank you.

The Chair: Thank you, hon. member.

The Member for Calgary-Mackay-Nose Hill.

Dr. Brown: Thank you, Mr. Chairman. I just want to briefly comment. I think that this amendment is unnecessarily prescriptive. It's restrictive. The Member for Olds-Didsbury-Three Hills mentioned the AUMA and a number of other boards which he served on in which he found that there was a diversity of opinion and a diversity of backgrounds and whatnot. What we're talking about here is restricting that certain expertise to certain demonstrable areas, property rights, environmental conservation.

I would suggest that there is a diversity when you appoint someone to a board depending upon what their background is and a lot of skills. There may be lots of expertise which is not listed there. I'll give you a couple of examples: the experience in conflict resolution, the experience in dealing in quasi-judicial tribunals. Perhaps somebody has administrative skills that they could bring to a board of directors like that. To have it unnecessarily prescriptive, where you have to fill a little box with a certain type of person, I think just goes far beyond what is required to get a proper adjudication. What we're trying to do here is get an impartial expertise, a board that can make proper decisions and be a quasi-judicial tribunal. I just don't see where putting people into little boxes achieves that end.

The Chair: Thank you.

The hon. Member for Lacombe-Ponoka.

Mr. Fox: Thank you, Mr. Chair. Again, what a pleasure it is to rise this evening and speak in favour of an amendment that was put forward by my friend and colleague from Strathmore-Brooks. I'm looking at the amendment here and the changes that it proposes to make. I'm going to read here 5(1): "There shall be a board of directors of the Regulator consisting of a chair and at least 2 other members appointed by the Lieutenant Governor in Council." I mean, already I'm seeing a compromise here in this proposed amendment. We're looking at increasing the number of people that the Lieutenant Governor in Council could appoint to this panel. As well, we're not asking for it to come back to the Legislature. We're looking at an amendment where we want the Lieutenant Governor in Council to actually make these appointments.

Now, what we also want to add here, and I'm going to start from the bottom: "two individuals with demonstrable expertise in the energy [sector], each in different sectors of the industry." I mean, I don't see how this could be an issue. We definitely want to see people making decisions on the energy industry who do

have expertise in the energy industry. Why would we want somebody from the health care system being appointed to a board that develops the energy of the province? I just don't understand the logic in that. By prescribing this in the legislation, we're actually showing that we do care that we have expertise on this panel.

Again, "one individual with demonstrable expertise in environmental conservation." I mean, I want to make sure that my children can enjoy the environment here in this province. When we're developing the energy industry, which is developing our resources coming out of the province and out of the ground, I want to make sure that there is no damage happening to the environment or that it is mitigated so that future generations can enjoy the pristine environments in this province.

Now we get to the last one here, and the last one is probably my favourite subject, property rights: "one individual with demonstrable expertise in property rights." Well, friends, property rights are the basis of the individual freedom and economic security of this province. I mean, this is something that we need to protect. Without private property rights we lose the ability for wealth creation. What happens when those property rights are gone? Wealth creation stagnates or even declines. We don't want to see this in this country. We don't want to see this in this province. We want to see the province of Alberta continue to drive the economy here in Canada.

When we talk about property rights, there are also two threats to property and property rights: thieves and government. What's really interesting is that one was created to stop the other or protect us from the other. Society has been plagued by governments that have been predatory. We've seen it with Bill 36, Bill 24, Bill 19, and Bill 50. We end up with the same results as the societies plagued with thieves: loss of property, loss of property rights.

11:20

Let's reverse that. Let's reverse that right now. We can reverse that with this just by placing one individual on that board that has some demonstrable expertise on what property rights mean. I mean, we don't need to go out and have a conversation with all Albertans to find out what property rights mean to them, but we definitely need somebody who understands exactly how property rights affect the province, affect Albertans when they start discussing companies entering somebody's property to extract the resource from underneath it, which belong to Albertans, so their property.

Again, we have the opportunity to stand up here today with this good common-sense amendment to make sure that not only are property rights covered off but that environmental conservation is covered off and, as well, the needs of the industry are covered off.

I mean, I agree with the intent of this bill. The intent of the bill is to streamline this, but in streamlining it, we've got to make sure that all parties – and I'll reiterate that: all parties – have the ability to come to the table on this. Now, with only three members, a chair and two others, we don't know exactly what we're going to get, but by asking for it and placing it in legislation, we know what we're going to get each and every time a new member comes on that board.

I would submit to you that this is a common-sense amendment to a piece of common-sense legislation. I have to commend you on bringing forward Bill 2 because it is common sense that we streamline regulation. I want to see this happen, but I want to see this happen in a way that benefits all Albertans. I believe that this amendment is another amendment in good faith that will benefit all Albertans. It will benefit our industries, and it will benefit future generations.

I can't understand why anybody would stand up and oppose this. I mean, there's nothing here that, again, attacks anything that anybody said here this evening. This is here to strengthen the province. This amendment is to strengthen the province, not to weaken it. We stand here in good faith. We come here in good faith looking for your support to help fix just a small oversight, maybe, to make sure that we're all working in the same direction and that we have the right intent with this bill.

Now, like I said, we want to move forward with this. We want to make sure that Albertans are protected. I believe that with this amendment we can protect all Albertans, future generations, our industry, and our environment, just by making this simple amendment.

Thank you.

The Chair: The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Chairman. You know, I'm compelled to just make a few comments. Governments don't attack or take away property rights just because they're governments, just because there's something about them that makes them. It's because they represent interests. When this government brought in Bill 19 and Bill 50 and so on, they were representing the interests of large energy companies against the rights of small property owners, and they trampled on those rights not just for fun but because they had some specific goals in place. They wanted to be able to put power lines in, and they wanted to be able to put pipelines in, and they wanted to be able to put other large energy-related infrastructure in with a minimum of nuisance and fuss from the people who might be affected by it.

The single regulator approach that is at the core of this bill is designed to assist the energy industry to accomplish the very same goals in a different way. That is why I think the landowners in this province are rising up against the bill. You know, in terms of the approach here – one individual with demonstrable expertise in property rights, another in environmental conservation, and two people with demonstrable expertise in the energy industry – it's not going to change the fundamental nature of what's happening here in this bill.

You know, you can put somebody on there from the Fraser Institute for all I care, and you can balance it with somebody from Greenpeace. You can put on somebody from CNOOC, and you can put on someone from Exxon, but it doesn't mean you're going to get good decisions, because they're going to be governed by this legislation and this approach, which is designed – designed – to overturn property rights in the interests of the oil industry, that backs this government.

The Chair: The hon. Member for Innisfail-Sylvan Lake.

Mrs. Towle: Thank you, Mr. Chair. I'd actually like to move a subamendment to amendment A17, and I have the requisite number of copies to be passed around.

The Chair: Thank you.

Okay. This amendment, hon. members, will be SA4.

Hon. member, you may speak to the subamendment.

Mrs. Towle: Thank you, Mr. Chair. I am moving as a subamendment that amendment A17 to Bill 2, the Responsible Energy Development Act, be amended in clause (b) by striking out the proposed section 5(1.1) and substituting the following:

(1.1) Members appointed to the board of directors of the Regulator shall include at least:

(a) one individual with demonstrable expertise in environmental conservation,

(b) one individual chosen from a list of nominees provided to the Minister by Alberta landowner groups, and

(c) two individuals chosen from a list of nominees provided to the Minister by energy industry groups.

(1.2) The Lieutenant Governor in Council may make regulations respecting the lists of nominees under subsection (1.1).

(1.3) Subsections (1.1) and (1.2) come into force 12 months after the coming into force of the remainder of this Act.

The reason that we're moving to make a subamendment to this amendment is because stakeholders have told us that a key factor to making this new regulator function properly is to ensure that we have some expertise on the panel. It is important to keep the regulator nimble and reactive to rapid changes in the industry, but some aspects must be written into legislation in order to maintain the integrity of the organization.

The reality of it is that asking for people to be on the board that have a demonstrable expertise in environmental conservation, that a list of nominees be provided to the minister by Alberta landowner groups, and that two individuals be chosen from an additional list of nominees provided to the minister by energy industry groups allows for the public to have input into who's on the board, and it allows for the stakeholders to have input as to who's on the board, but it ultimately still allows the minister the ability to choose whom he feels are the best representatives of Alberta.

That's really the goal here. The goal ultimately is to ensure that we're having a fair and transparent and open process, and by allowing stakeholders and Alberta landowner groups and energy groups all to provide a list to the minister, then the minister can take into account that maybe he does not know every single possible best person for this board, but he actually may be able to be given the opportunity to have a different outlook and ensure that all Albertans are represented and that industry is represented fairly.

The reality of it is that by mandating the backgrounds of the board of directors members, there can be some level of assurance that the right people for the right job are placed on the board of directors without totally hamstringing the cabinet or the regulator's ability to fill the positions. The importance to Albertans is what they want to see as a fair process, and we want to make sure that the person that's on the board is actually doing what they're supposed to do in the best way possible.

11:30

Now, I know the hon. member from across the way talked about that we don't want to make it too prescriptive and that that might be restrictive. The amendment clearly says that it "shall include at least," so that leaves the door open for the minister to make changes as he sees fit, and it also leaves the door open for the minister to ensure that it's "at least." It can be more if he chooses to be more fair, but there's a minimum standard required.

Clearly, given this government's track record with appointing people to important positions based more on their loyalty to the PC Party than their qualifications, as we saw with Evan Berger's appointment to a job that didn't exist and with a job description that didn't exist, this ability allows for the government to have an essence of being fair and transparent, which the government clearly touts all the time as their number one priority. The current legislation is very vague about the makeup of this powerful board of directors except to say that the PC cabinet will be appointing a chair and at least two other members.

Now, if you want to ensure fairness to Albertans – and that's what Albertans are telling you – then there are no assurances right now that the members will bring the breadth of experience needed to serve the energy industry and Albertans and landowners and ensure that we have some environmental conservation. If we're going to be open and transparent about it, which we want to do, then we need to make sure that we have that.

Now, an example of how easy this is to do is that the Land Title and Survey Authority Act of B.C. has a board where each of the Law Society of British Columbia, the government, and the Association of B.C. Land Surveyors provides a list of at least three and not more than five nominees for the director, and the director chooses one from these lists. Very easily, it just says:

(1) The board of directors of the Authority is to consist of 11 individuals of whom

(a) 6 are to be appointed from the nominees provided under section 7(1) by stakeholder entities, with 2 directors being appointed out of the nominees provided by each of the 3 stakeholder entities, and

(b) 5 are to be appointed from nominees provided under section 7(2) by stakeholder entities, with one director being appointed out of the nominees provided by each of the 5 stakeholder entities.

Then it goes on to talk about the terms of office and how long a director may be appointed for and what happens when you've served the maximum number of terms. It's not that this has never been done before. It very clearly has been done before, and other organizations are being much more open and transparent than we are being, so there's no reason to say that this can't be done. The system is set up to do it, the layout is already there, and all we have to do is just ensure that it's a fair process. It still leaves the director and the minister the ability to choose from any one of these lists, and these people know exactly who is on the ground and who might be the best person to come forward and protect Albertans as a whole.

The other example is the Arts Board of Saskatchewan. The Lieutenant Governor must appoint a board of nine to 12 where no less than one-third of the members are appointed from a list provided by the arts community. Once again we're seeing the province of Saskatchewan saying clearly that the citizens of Saskatchewan matter, so we're going to be open and transparent with our process, and we're going to make that process very easy to do. Very clearly, in their board of directors under section 14:

(2) Not less than one-third of the members of the board of directors shall be appointed from a list of nominees provided by the arts community.

(3) The list of nominees mentioned in subsection (2) is to be compiled from nominations to the minister provided by the arts community in accordance with the procedures prescribed in the regulations.

Now, these are two examples of what's already being done in other provinces. It's very easily set up, and it allows for this province to literally look at other options and set them up.

I understand. I mean, the members across the way can rip their papers and crumple them up and think they're going to throw everybody off the target, and they're telling Albertans they don't care, and that's fine. That's absolutely fine. If that's how they really want to go about talking about amendments that matter to landowners, to industry, and to average Albertans, if that's the attitude this government has, continue to be like that. That's absolutely fine. It's not going to stop me or this party defending landowners and defending an open and fair and transparent process, which is exactly what our duty and our obligation is to do

as legislators. If you want to be a child, you're more than welcome to do that, or you can be an adult and stand here and be respectful and listen to a proper amendment that's coming out.

The minister already has vast powers over the regulator. This amendment allows the minister to continue to have some discretion to choose well-qualified candidates to serve on the board, but they will be able to work alongside people who are suggested by other stakeholders groups. What is the harm in having an open mind and realizing that there might be others out there in the community or out there in the industry or out there as stakeholders who are able to represent Albertans on this board?

The nominating procedure is not set in stone. The minister can still use his or her judgment and decide on a nominating procedure that works well for the government and the stakeholder groups: groups advocating for the environment, groups invested in the energy industry, and groups working to protect property rights. That goes to subsection (1.2), where it says that "the Lieutenant Governor in Council may make regulations respecting the lists of nominees" under the subsection. So nobody is saying that it's written in stone that they have to follow this exact process. It allows for some leeway and some development of regulations that work for everybody.

The minister will have the ultimate power to choose the individual from the list of nominees. That will allow the minister to decide on the particular nominee that best fits the needs of the board of directors and also fits the needs of industry, environmental conservation, and landowners. This system ensures that the entire board does not directly owe their positions to the minister, and this structure keeps a board that is connected in a healthy way but also independent. They're free to ensure that they pursue the interests of all Albertans, and that's ultimately what we want, a fair and open process.

Landowners and industry need tools that they can use to have an independent voice, and this allows them to do that. The subamendment to A17 allows industry, landowners, and environmental conservation to come to the table and work together. They could use this for work in their industry in a transparent and positive way.

More important than a lot of this information is that we're talking about streamlining a process. We're talking about making this process faster. What better way to do that than to make sure all the players are at the table to iron out any concerns that may come up long before they hit the public and long before landowners and industry are affected? That is a reality. There are clearly some concerns over this bill, and if you can actually have them at the board of director level, you'll eliminate them, ultimately making this a quicker process and an open and transparent board. Albertans need to believe in the integrity of the process.

Now, under subsection (1.3) nobody is even asking for them to implement this immediately. We realize that there has to be some consultation. There has to be time for the stakeholders to talk to whom they need to talk to, to figure out who the best person is to nominate. We realize it's going to take some conversations across Alberta to make sure that we have the best people in the right job doing the right kind of work. That's why we're saying that this isn't tomorrow, it's not next week, and it's not two weeks from now. It's 12 months after this act comes into force.

That's a reasonable amount of time, that allows the transition board and the current board to get things set up, to figure out what works and what doesn't work. But it says that after 12 months you will ensure that each one of those groups – those with expertise in environmental conservation, those that are representing Alberta landowner groups, and those that represent energy industry groups – has the time to present you with a reasonable list of people that have the expertise in these areas or at least could possibly come forward and say, "You know, there are things about this that I could communicate and contribute back to the board," which thus would then turn around and literally make it so that this board functions better and ultimately streamlines the process.

We may just find that if we open this up to stakeholders to say, "Hey, I could suggest this person and this person and this person," some of those people might actually already be working together. I would find it hard to believe – my husband is in oil and gas. They do talk to landowners, and I believe that most of the industry actually does talk to landowners. I believe they're doing the right thing. I think it's very few people that are actually, you know, overriding or wanting to fight with the landowner. So what we might actually find if we go back to Albertans, who really and truly know who is the best to do these kinds of things – they will literally be able to put the best person forward, and you might find that they're already all working together, which ultimately goes back to streamlining the process, which is exactly what Bill 2, the Responsible Energy Development Act, is all about.

11:40

We heard at the very beginning that this is all about streamlining the process, so let's get the groups together. Let's have them working together, and there's no reason why they can't do that and have some input into the board makeup. This does not threaten and is not onerous on the minister at all because he makes the ultimate decision. It's literally an easy win-win for the government.

You know, it's an amazing thing. The members across the way are ripping their pages and all that sort of thing, and that's fine. We've had excellent opportunities, and we have actually had ministers in this House who've accepted amendments from this opposition. I know it's shocking. It absolutely is shocking, but we've had ministers who did that. The hon. Minister of Education accepted an amendment from Calgary-Fish Creek, and I believe there was an amendment from the hon. Member for Calgary-Shaw that was accepted, which was an opposition amendment. This is not something that we've never seen before.

It is okay to actually say: "Hey, that's not a bad thing. The amendment can be considered, and the amendment might be okay to go through." It seems shocking because we want to believe that we cannot accept anything from the opposition, but the reality of it is that if it's in the best interest of Albertans, it should be considered and it should be reviewed, and it absolutely should be an open, transparent, and accountable process, which is exactly what this government has proposed as their mandate. If that's true, then they'll make sure that this process is open to all Albertans.

Thank you.

The Chair: Other speakers on this subamendment?

Seeing none, I'll call the question on subamendment SA4.

[Motion on subamendment A17-SA4 lost]

The Chair: We'll go back to amendment A17.

If there are no speakers on amendment A17, I'll call the question on A17.

[The voice vote indicated that the motion on amendment A17 lost]

[Several members rose calling for a division. The division bell was rung at 11:42 p.m.]

[One minute having elapsed, the committee divided]

[Mr. Rogers in the chair]

For the motion:

Anderson	Fox	Strankman
Anglin	Hale	Towle
Bikman	Rowe	Wilson

Against the motion:

Allen	Hancock	McQueen
Bhardwaj	Horne	Oberle
Brown	Horner	Olesen
Calahasen	Hughes	Olson
Casey	Johnson, J.	Quadri
Denis	Khan	Sandhu
Dorward	Klimchuk	Sarich
Drysdale	Lemke	Starke
Fenske	Leskiw	Swann
Fraser	Lukaszuk	VanderBurg
Goudreau	Mason	Weadick
Griffiths	McDonald	Xiao

Totals: For – 9 Against – 36

[Motion on amendment A17 lost]

The Chair: The hon. Member for Edmonton-Highlands-Norwood on the bill.

Mr. Mason: Thank you very much, Mr. Chairman.

The Chair: It seems we have another amendment, hon. member.

Mr. Mason: I do have an amendment, indeed.

Hon. Members: Question. We're calling the question now.

Mr. Mason: I have notes for this one.

The Chair: Hon. member, you may proceed to describe your amendment. This will be amendment A18 for the record.

11:50

Mr. Mason: Good. Thank you very much, Mr. Chairman. I move that Bill 2, Responsible Energy Development Act, be amended by adding the following under section 33:

> Local interveners' cost
>
> 33.1(1) In this section, "local intervener" means a person or a group or association of persons who, in the opinion of the Regulator,
>
> (a) has an interest in, or
>
> (b) is in actual occupation of or is entitled to occupy
>
> land that is or may be directly and adversely affected by a decision of the Regulator in or as a result of a proceeding before it, but, unless otherwise authorized by the Regulator, does not include a person or group or association of persons whose business includes the trading in or transportation or recovery of any energy resource.
>
> (2) On the claim of a local intervener or on the Regulator's own motion, the Regulator may, subject to terms and conditions it considers appropriate, make an award of costs to a local intervener.
>
> (3) Where the Regulator makes an award of costs under subsection (2), it may determine
>
> (a) the amount of costs that shall be paid to a local intervener, and
>
> (b) the persons liable to pay the award of costs.
>
> (4) The local intervener or a person who is determined by the Regulator to be liable to pay the costs awarded may request that the Regulator conduct a review of the award of costs.
>
> (5) Where the Regulator conducts a review of the award of costs, the Regulator may
>
> (a) vary the award of costs,
>
> (b) refuse to vary the award of costs, or
>
> (c) deny the award of costs.
>
> (6) If in the Regulator's opinion it is reasonable to do so, the Regulator may make an advance of costs to a local intervener and it may direct any terms and conditions for the payment or repayment of the advance by any party to the proceeding that the Regulator considers appropriate.

Now, speaking to that amendment, Mr. Chairman, this amendment was taken from a previous piece of legislation, the Energy Resources Conservation Act. This act will be repealed by this bill if the Legislature passes it. The current bill does not provide for local intervenors' costs, which can be awarded to interested parties who are taking part in the energy project approval process. The local intervenors' cost section will ensure that the regulator takes responsibility for reviewing and ruling on the costs that need to be paid for intervenors.

Mr. Chairman, currently if you participate as a local intervenor in a hearing, you may make a request to the panel that some or all of the costs you've incurred with respect to your intervention will be paid by the proponent. A local intervenor means a person, group, or association who has an interest in land that might be adversely affected by a decision of the panel as a result of a proceeding but does not include the persons whose business is related to the trading, transportation, or recovery of an energy resource. This amendment will ensure that the act maintains the definition of a local intervenor so that those who take the time, energy, and resources to speak to an energy proposal may be heard. In other words, the definition of local intervenor focuses on individuals and associations other than those businesses or corporations applying to develop energy projects.

Although individuals could represent themselves in front of a hearing panel held by the regulator, it is often daunting to grasp all the aspects of the energy development proposal. Therefore, hiring a lawyer is often helpful to interested parties to represent their interests. Lawyers are trained to represent a client's case and make arguments on behalf . . .

An Hon. Member: Lawyers?

Mr. Mason: Why am I defending lawyers?

Frankly, Mr. Chairman, the real point here is that people who are affected may not have the resources to adequately research and make their case when they're up against giant energy companies with very, very deep pockets. Previously there was wisdom in this regulatory process in that it provided some equality of resources so that people could actually make a case and argue on a nearly equal footing with proponents of projects that may negatively affect them. Not everybody can afford to do this. Not everybody can afford to hire a consultant or a lawyer or another professional person in order to help them research and make their case. The regulatory process, as I've understood it, in the past provided that by allowing the awarding of costs at the expense of the proponent to people who had an interest at stake and needed some financial support to deal with it.

That's in there now, and this act takes it out. It's part of the process, which I think is represented in this act, of tilting the balance too far in favour of the energy industry and too far away from the rights of ordinary Albertans. We're just putting back what's been there in the past, which in our view has served property owners and served the ordinary folks of this province very well. It's going to be a lot tougher to argue your case against a battery of lawyers of one or more large oil companies when you don't have this section. We want to put it back. We want to ensure that there's at least a little bit of balance and a little bit of equality

of resources so that the hearings have at least the potential of representing the interests of both parties. And with the current act not including this, I don't think that's going to be the case. I think it's a shame. I think it needs to be there, and I would urge all members to support this amendment.

Thank you.

The Chair: Thank you, hon. member.

The Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair. I'm all full of surprises for the hon. member. I rise in support of this motion. Bill 2 contains no statutory power, never mind any obligation of the regulator, for the regulator to make cost awards in favour of a landowner who participates in any regulatory process. This bill repeals the local intervenor cost provision under section 28, and all this hon. member is trying to do is to reinsert it back into this bill.

The only thing Bill 2 does is give the regulator rule-making authority to award costs under section 61, but it removes that statutory power. That's significant in dealing with any application process. People are put at a tremendous disadvantage going in front of these board processes and these board hearings. For many landowners it is generally their once-in-a-lifetime experience. Most farmers may go in front of the board once. Rarely do they go in front of the board twice. Beyond that, it's extremely rare that anyone would go more than that. It's daunting. It is intimidating to these people. It's not the process they're used to.

For anyone who's been part of a board process or a commission process – now we're going to call it a regulator process – this is very much like a court setting. The regulator will have legal counsel there along with experts. They normally do. It is the general rule of the day. When industry comes in, they come in with a team of lawyers, with a team of experts, and you have a landowner standing there generally alone. How do they actually make their case? How do they articulate their argument in front of this regulator, this board, if they do not have the ability to have legal counsel? I will tell you that when it's left to just their pocketbook, then they are at a tremendous disadvantage.

This is isn't just about fairness; this is about process. You know this. It's happened. The hon. Deputy Premier was somewhat, I think, part of this at the Sylvan Lake meeting. When people are frustrated, they do get louder. They do. I will tell you that we've had people out there engage in violence. We all know the stories. Nobody has ever asked the question: why does a 70-year-old lady go after a 30-year-old EUB lawyer and try to beat him up? I mean, it sounds comical, and it was to watch it, to be honest, but it's not right. Nobody bothered to ask the question: how did that come to be? How did it come to be that somebody who was law abiding and has lived an entire life and never even got a traffic ticket finds themselves dealing with an assault charge at the age of 72? Think about that for a second. We've actually had people out there killed. It's not something that we've not had to deal with. In each case it has to do with the level of frustration people felt in the process.

12:00

If you remove this statutory power and we put these people at a disadvantage, one thing that I can guarantee is that the level of frustration will rise, and then the repercussions of that frustration are something that we will have to deal with. But there will be a push-back in the public. We know that not just from the theoretical; we know that from our real life experiences. People need a process that they can go through where they feel they've been treated justly and fairly. The idea here is to create that, but without these intervenor costs, we have a tremendous disadvantage.

I will tell you that there are companies out there who take no prisoners when it comes to dealing with the legal system. They do everything to their advantage regardless of the landowner or the property owner. It's the way the system is designed, and these people are competent, these industry lawyers. This is what they do for a living. So when they come up against the one individual who has absolutely no experience in dealing with this, we find they get taken advantage of many times. This is a process that if we don't have some sort of equalization here, some sort of remedy so these people can be represented in a fair and just manner – I mean, they can complain about their lawyer afterwards, saying, "My lawyer didn't do a good job," but at least they got a decision, and an argument was made, and their concerns were brought forward. If they can't get that brought forward, that frustration level is going to boil over.

I know where industry's going with this one. By not having it in there, there is no right to that intervenor cost. There is no mandate on the legislative side to actually do this. All it says is that they will make rules. This has been a problem going back in time. It still is a problem. Industry will cry that landowners abuse the system. Landowners, on the other side, will complain that they're at a disadvantage now. But right now the way the system is, the commission or the board – in this case it will be the regulator with its hearing commission – should be able to make that decision. It should basically be in the legislation to level the playing field.

It does another thing, too, besides leveling the playing field. It also helps the process. I will tell you how we won at the board. We didn't get a lawyer. We showed up with 200 people at the board without a lawyer, 200 people who didn't know the process. If you ever wanted to see how that worked, you just let them go to that board without any idea of how the system runs and let the board figure it out. From the board's perspective at the time – you can shake your head, but it's a tactic. Because those lawyers use tactics, we have to use tactics. We want to be heard. If you want to basically get this process up and running, then give them a fair chance. This is what lawyers do. They basically teach these landowners how to navigate through this process.

What you're going to end up doing is just what I told you, that you didn't like hearing about. These landowners are going to be showing up without counsel. They can't afford it. If they show up en masse, then the board or the commission is going to have to deal with it. I will tell you that it's a zoo. It's a zoo if they're not represented well, and then the board has to figure out how it's going to pull that all apart. The system, I tell you, when I went through it, it broke down. It broke down. It was the board that misbehaved more than the landowners misbehaved. The board then declared a 70-year-old lady a terrorist, hired private investigators, and the next thing you know we had a fiasco in the newspapers.

An Hon. Member: Is this to the amendment?

Mr. Anglin: This is all to the amendment. That is exactly what this is about. This is about those intervenor costs and about making the process work.

It's not costly in the sense that it costs more for the applicant, although they will complain. What is costly for the applicant is the holdup of the process. What is costly for the applicant is when they don't get this seamless approval process that they want to get so that they can get on with the situation of developing their energy resource. That's the intent of this bill.

If we do not have legislative intervenor costs – this does not mandate it. You do not have it. It's not there in legislation. It's been removed. Take a look at section 28 under the old act. It does not appear in this new act. What does appear right now is this amendment, which says that if we put it back in, it will then be there just the way it has been all along prior to this bill.

With the greatest respect, making light of this is fine, but this will be a problem. This will be a problem. When you create this imbalance, this is going to be a problem, not so much maybe on the small projects but on those big projects because people are going to want to be heard, and they will not have the resources to allow them to be heard in an orderly manner. They will show up, and that you're going to have to figure out how to deal with.

I will tell you that we are dealing with a situation like that right now up in the Peace River region, and it's almost deadly. If it doesn't get resolved peacefully, there's going to be a problem. The RCMP are involved. There are local negotiators involved, trying to get tempers and emotions calmed down. We know this stuff goes on. So if we know that it goes on, we should take measures to make sure we keep things civil. The intent here also is to make sure we keep things civil.

I'm going to throw out the example of Sylvan Lake versus Vulcan. I would say and I would argue that it was the organization of the meetings that made all the difference, and it was the difference between night and day, between what the hon. Minister of Energy experienced versus what the Deputy Premier experienced.

Again, we can have a board hearing where legal counsel represents landowners and legal arguments are made and professionals come in and basically do their duty, whether it's water, whether it's geology, whatever the application is doing as far as the expertise required, or we have a fiasco of people showing up without the ability to balance or even understand what is happening in front of them. That's usually where the trouble begins, when they don't even understand the legal process and they're going up against a company lawyer without any understanding of the law whatsoever.

This has played a very important role in the process to date. It has actually worked quite effectively. The board has the decision to determine how much, if any, intervenor costs are awarded, but it is in legislation. This bill does not have it in legislation. By omitting this, we now start to think about this system not being able to be streamlined and people getting frustrated. The playing field is not fair. It is not level. We'll get away with it for a while, and then there will be a push-back in the public. How that push-back appears or grows could be anybody's guess.

My argument here in support of this motion is that it's worked, and it's worked effectively. Why would we get rid of it? Yes, there are complaints on both sides of the equation, but overall it has worked well. Why would we get rid of it? Why would we not put this back in and make sure that we keep that level playing field?

The average farmer out there, the average landowner who's running a business, whatever type of agricultural business it is, they're going about their duty whatever their business is, and then the developer shows up and says: "We're going to drill for oil and gas. We're going to build a pipeline across your property." Now, all of a sudden, if you're not aware of the process, you have to not just stop what you're doing; you have to go through this learning curve. This is something that they did not invite into their lives. It is something that just happened to come on probably the most ill-planned day in their lives. Whether it's seeding, harvest, whatever, it doesn't matter. It's never a great time, and they have to get caught up very quickly.

12:10

Being able to hire a lawyer or an expert to help them, particularly if the development is complex, and having a right to apply for intervenor costs is significant in streamlining the process. If that's the intent, to streamline the process, these property owners are going to need help. These intervenors are going to need help. If they're left to their own devices, basically, who knows how this system is going to work?

It has its advantages. It has its benefits when we allow the intervenor costs. I realize there are people out there that talk about abuses on both sides of the equation, but overall the board has, I think, the generic support by probably a majority of people that the system is working with the intervenor costs. If you are directly and adversely affected and the board decides that you have a right to intervenor costs, by legislation, then, they will award those intervenor costs.

So I rise in support of this bill. It is significant to keep to this idea that we're going to streamline the process. Thank you very much.

The Chair: Are there other speakers to this amendment? The hon. Member for Lacombe-Ponoka.

Mr. Fox: Thank you, Mr. Chair. Again, it's a pleasure to rise and speak to Bill 2, the Responsible Energy Development Act, and speak about amendment A18 that was put before us.

> Local interveners' cost
>
> 33.1(1) In this section, "local intervener" means a person or a group or association of persons who, in the opinion of the Regulator,
>
> (a) has an interest in, or
>
> (b) is in actual occupation of or is entitled to occupy
>
> land that is or may be directly and adversely affected by a decision of the Regulator in or as a result of a proceeding before it, but, unless otherwise authorized by the Regulator, does not include a person or group or association of persons whose business includes the trading in or transportation or recovery of any energy resource.
>
> (2) On the claim of a local intervener or on the Regulator's own motion, the Regulator may, subject to terms and conditions it considers appropriate, make an award of costs to a local intervener.
>
> (3) Where the Regulator makes an award of costs under subsection (2), it may determine
>
> (a) the amount of costs that shall be paid to a local intervener, and
>
> (b) the persons liable to pay the award of costs.
>
> (4) The local intervener or a person who is determined by the Regulator to be liable to pay the costs awarded may request that the Regulator conduct a review of the award of costs.
>
> (5) Where the Regulator conducts a review of the award of costs, the Regulator may
>
> (a) vary the award of costs,
>
> (b) refuse to vary the award of costs, or
>
> (c) deny the award of costs.
>
> (6) If in the Regulator's opinion it is reasonable to do so, the Regulator may make an advance of costs to a local intervener and it may direct any terms and conditions for the payment or repayment of the advance by any party to the proceeding that the Regulator considers appropriate.

Now, in reading that and listening to the comments of the Member for Rimbey-Rocky Mountain House-Sundre – look at that; I even got it – I've kind of rethought what I was thinking on this amendment. In this bill, in terms of efficiency, it's essentially taking failed bodies that were in place and stuffing them into a superregulator. There's a clear risk that this is going to be a

Frankenstein-like body if the new regulator does not overhaul the process.

In terms of the balance the only place this bill makes explicit gains is in the efficiency. In terms of landowner rights it does not maintain the requirements for landowner involvement at the outset, which was entrenched in the ERCB, nor does it give Albertans the right to appeal to the Environmental Appeals Board if the energy developer on their land causes environmental damage.

I guess what I was hearing from you, Colleague, was that, you know, we need something like this in place. We need it in place to protect the landowner, the person that doesn't always deal in this, that doesn't have the expertise in this, that they can call in somebody to help them out on this so that they can deal with the regulator on almost an even footing with the energy companies. I'm sure the energy companies would appreciate this as well.

You know, we all want to make sure that we have good corporate citizens in this province, and I know that these energy companies and industries want to be good corporate citizens here in the province of Alberta. Doing this is going to give some balance and give a little bit of weight back to the landowner. We want to make sure that the landowner is protected and that the industry and the landowner can come to these boards on a level playing field and discuss their issues and hash them out so that it doesn't prolong the process.

I think that I'm in support of this motion. Again, it seems strange to be speaking in support of the members of the NDP because a few years ago I couldn't believe that I'd be doing this myself. You know, there is some pragmatism in this. I can recognize that there are good ideas that come from all over. They come from the members of the NDP, they come from the members of the Liberal Party, and they come from the members of the Wildrose Party. I know that is something that is hard to fathom. They even come from the Progressive Conservative Party as well. Look at that. I'll even give you credence on that, that good ideas come from all Albertans, all members in the Legislature.

I think there is some merit in this here this evening. Let's not just throw this out. Let's deal with this. Let's look at this. Let's debate this, not just glaze over and go sleep and wake up at 7 a.m. and find me still standing here talking. Now, I'm not sure if there's anybody else that has any more comments on this, but I would like to hear some more.

The Chair: The hon. Member for Cardston-Taber-Warner.

Mr. Bikman: Thank you, Mr. Chair. We're looking at a David and Goliath situation, as has been mentioned several times in this House. I believe this amendment addresses that to some extent, and I rise to speak in favour of it and to talk about the bill generally since I understand that we're expected to be here all night to prove that we're all men and, I guess, women too. [interjection] I prefer to be what I am anyway.

In a masterful speech by the Leader of the Official Opposition a few weeks ago we heard horrific examples of delays in project approval here in Alberta. Compared to our neighbouring jurisdiction of Saskatchewan, similar projects there are being fast-tracked in as little as one-sixteenth the time that it takes here in Alberta. The purported purpose of this bill is to streamline that process, and that's admirable. It's a worthy goal. It's intended to rectify this imbalance with our neighbouring provinces and make Alberta once again a more attractive place for the energy industry to invest.

However, Mr. Chair, it takes a long time to restore lost faith and win back trust. Over many years, dating back to the 1950s, Alberta was held up as a model for the rest of the world. Leaders and ministers from a variety of countries visited to learn how to strike the right balance between providing investors an attractive return while reassuring Albertans that their fair share of resource revenue was received and protecting and preserving property rights. That's a proud heritage, one that we need to I think consider when we have the opportunity to do the right thing and to make sure that everybody is treated equally. This trust between energy companies and our province took a long time to create. It sustained us through decades of growth, ensuring a high standard of living for Albertans.

The protection of landowners' rights in providing a wealth of employment opportunities was a result of consultative engagement among all stakeholders and for many years remained a standard worth emulating. Sadly, over the past five years this government acted unilaterally to change the rules of the game. Investors fled, and jobs followed. I'm told that some investors still haven't returned. The government also lost the confidence of rural Albertans when they rammed through bills 19, 24, 36, and 50, as has been mentioned numerous times this fall session. It was hoped that this act would make our process competitive with our neighbours' and restore energy companies' faith in Alberta and make it easier for them to plan and initiate new projects in a cost-effective way.

12:20

I hope we all know that it's private enterprise that creates wealth-producing jobs, that increase our standard of living, and boost provincial revenues. Not public jobs but private-industry jobs create wealth. We do need to streamline project approvals. We need to do it as soon as we can. It takes a long time to re-earn the trust of those companies who saw millions of dollars of planning rendered useless and irrelevant through the unilateral stroke of the legislative pen following . . .

Chair's Ruling
Relevance

The Chair: Hon. member, are you speaking on the amendment?

Mr. Bikman: I certainly am.

The Chair: Okay. Please, if you could keep your comments to the amendment. Thank you.

Mr. Bikman: And how am I not?

The Chair: Well, it seems you're talking about the bill in general, hon. member, and we're going through the amendment.

Mr. Bikman: I think that this amendment relates to the bill in general, and I'm talking to the generality of the bill and the specifics of why this is important, what we need to do restore the confidence that makes the bill even necessary in the first place.

The Chair: If you could keep your comments to the amendment, hon. member – that's how we get through it; it's piece by piece – I'd really appreciate it.

Mr. Bikman: I thought we were supposed to be here all night and keep you all busy and entertained. Did I misunderstand the rules of this game? [interjections]

The Chair: The hon. member has the floor. Thank you.

Carry on, hon. member.

Mr. Bikman: I was carrying on. I thought that was what you were chastising me about.

Debate Continued

Mr. Bikman: Well, let me see if I can be a little more specific. We're very concerned about property rights. The David and Goliath aspect of this relates to that, and this amendment certainly speaks to that, wouldn't you say? Are we concerned about having the weakest and the least wealthy, in most cases, members of this equation, who are the property owners, having some of their costs covered? As has been pointed out and as I think we all realize, when you're going up against an energy giant and you're simply a farmer or a rancher or a landowner, we're not creating a level playing field. It isn't an equal situation no matter what you think.

The farmers, the ranchers, surface rights representatives, and property rights advocates are concerned about the direction that this government is taking our province in with this bill. They've written all of us letters about that, and I'd be surprised if some on the other side hadn't received some of those letters and concerns. Whether you think they're from credible sources or not, I think people at the University of Calgary from the Faculty of Law there and other landowner advocates are concerned about the ability of farmers and ranchers, landowners in general to play in this game and defend themselves. They need to be compensated, and lawyers aren't prepared to represent them as willingly as they have in the past because they've been unable to collect their normal fees because the farmers and ranchers aren't being compensated. The compensation for their efforts has been cut back and cut back so many times that it's very hard for them to receive payment for their time. I think that's critical, and I think that undermines the credibility of this bill and undermines the credibility of the government itself as it relates to the energy industry itself.

I don't think the energy industry is as interested in railroading or ramming through something that isn't going to keep the playing field level. They want efficiency, but they're not complaining about the landowners creating inefficiency and delaying the process. But the landowners' rights need to be protected. They're concerned about having things fair and equitable. It's in their best interests to see that that happens, and it's in their best interests to see that farmers and ranchers and landowners in general can defend themselves and that if they don't have the wherewithal in their own pocket, their own money, they'll be compensated for it.

We've seen what I would consider to be frivolous lawsuits funded by the government when people appear to be or think that they've been offended by somebody's opinions that they take exception to. Well, if we're prepared to do that, I think that the least we can do for the hard-working people of our province, who have pioneered and have in some cases been on the land for generations – they need to know that they can have access to funding to help fight the battle against inequity. I think that much of the inequity that they're concerned about isn't so much from the energy industry, in fact; it's from the government.

We know that the government isn't the 87 people elected to sit here. We've had it pointed out to us that we're not part of the government, that most of the MLAs that are sitting in the governing party, the party in office, are not the government. It's the Premier and her cabinet that are the government, and the decisions that they make behind closed doors are affecting and impacting our stakeholders, the people that have elected us. If we won't speak up for them, then we're not doing our job. In speaking up for them in defence and in support of this amendment, we're just doing our job. We're trying to help make sure that they will have the ability to defend themselves when necessary, whenever the appeals need to take place, by being able to hire experts whose qualifications and skills exceed their own in advocating for them. I think that's part of what this amendment is intending to do. I'm fully in favour of it.

If I've somehow offended the chair or this House by talking about things beyond this narrow focus, I apologize, but I believe that what you're trying to do tonight is to get this thing rammed through. I don't think we ought to be ignoring the rights of the weakest stakeholders in this equation.

The Chair: No offence, hon. member. I'm just trying to keep us on task. Thank you for your comments.

The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Mr. Chairman. I'll be brief. I think the Member for Edmonton-Highlands-Norwood has put forward a very responsible and reasonable suggestion to strengthen the bill. It's essentially saying to people who are at a huge disadvantage as landowners or as neighbours or as small property owners or people who have a direct vested interest in the development: "We value your perspective. We need to have you onside as much as possible. We want to give you a fair opportunity to raise issues, to defend your right as a property owner, to put forward a well-researched, cogent case about balancing interests here."

The metaphor of David and Goliath does come often to mind as we look at these huge, huge operations and their ability to steamroll whole First Nations communities, as we've seen in the past, let alone individual property owners who have, perhaps, little background, little resource, and little capacity to understand the fine points of legislation and intervention. It just strikes me that this would be in government's best interests, it would be in industry's best interests, and surely it would be in the landowners' and affected parties' best interests to ensure that we provide a fair hearing and give not only the appearance but the reality of support for people who want to just stand up for their rights and want to have a fair settlement at the end of the day that reflects a balanced view from all sides. They cannot do that without resources. They cannot do that without expertise. To do anything less would be to violate, I think, a tradition in Canada, let alone Alberta, where we value landowners and their rights and we value fairness and we value the courts and we value the importance of specialized legal assistance in this modern day.

I don't need to say much more. The technical support, the financial support, the level playing field: it's a no-brainer. We would all want it ourselves, especially if we didn't have much in the way of resources. Let's just offer the same benefit to those among our neighbours who are essentially wanting to make sure that there's a fair process and they have been fairly treated.

Thank you, Mr. Chair. I'll be supporting this amendment.

The Chair: Thank you.

Are there other comments on amendment A18?

Seeing none, I'll call the question.

[The voice vote indicated that the motion on amendment A18 lost]

[Several members rose calling for a division. The division bell was rung at 12:30 a.m.]

[One minute having elapsed, the committee divided]

[Mr. Rogers in the chair]

For the motion:		
Anderson	Fox	Swann
Anglin	Hale	Towle
Bikman	Mason	Wilson
Against the motion:		
Allen	Hancock	McDonald
Bhardwaj	Horne	McQueen
Brown	Horner	Oberle
Casey	Hughes	Olesen
Denis	Johnson, J.	Olson
Dorward	Khan	Sandhu
Drysdale	Klimchuk	Starke
Fenske	Lemke	VanderBurg
Fraser	Leskiw	Weadick
Goudreau	Lukaszuk	Xiao
Griffiths		
Totals:	For – 9	Against – 31

[Motion on amendment A18 lost]

The Chair: We're now back to the main bill. The hon. Member for Strathmore-Brooks.

Mr. Hale: Yes, Mr. Chair. I have an amendment I'd like to put forward. I have the number of copies.

The Chair: This amendment, hon. members, will be A19.

Hon. member, you may speak to the amendment.

Mr. Hale: Thank you, Mr. Chair. This amendment I am proposing is another amendment dealing with public interest. Section 1(1) is amended by adding the following after clause (c):

> (c.1) "carbon capture and storage project" means a project for the injection of captured carbon dioxide conducted pursuant to rights granted under an agreement under Part 9 of the Mines and Minerals Act.

It further goes on. Section 2 is amended by adding the following after subsection (2):

> (3) Where by any enactment the Regulator is charged with the conduct of a hearing, inquiry or other investigation in respect of a proposed energy resource project or carbon capture and storage project, it shall, in addition to any other matters it may or must consider in conducting the hearing, inquiry or investigation, give consideration to whether the project is in the public interest, having regard to the social and economic effects of the project and the effects of the project on the environment.

This amendment deals with public interest mainly dealing with carbon capture and storage. Some good examples of this – looking at the public interest, I know we've had heated debate, and people think the public interest takes landowner rights away, which is totally false. It does not.

A perfect example of this is proposed carbon capture and storage projects that we really don't know much about. We're going to be pumping gas into the ground beneath landowners that may not even know it's there. There are huge, huge pools of gas that are going to be placed under families that will not know they're there. Who's going to know what's going to happen? We don't know. We don't know how the gas is going to react in the ground, how it's going to find formations to go through. If these projects are approved without any public interest, who's to say they can't eventually pump them under towns? Of course, it's going to be, you know, miles deep, but how do we know what's going to happen to the earth? We don't know. We don't know what's going to happen.

If we allow these projects to go ahead without any public interest, say in a town, if we allow them to pump gas beneath the town and years later the gas comes to the surface and, heaven forbid, people get sick or die, and we think, "Well, you know, we didn't put the public interest into that act; we just let these companies do whatever they wanted in these towns," it's not the companies' fault. It's the mandate of this regulator, which allows them. They're following the rules that were set into this bill. If things happen that we have no control over and we didn't take the interest of the public into consideration, whose fault is it? It's the fault of this legislation.

Another example. This summer they were proposing drilling a well. It might as well have been right in Calgary. I think it was a school or a Walmart or something that was right there beside it. That's in the public interest because it's going to affect the public. You know, if it's a sour gas well and you get a bad wind and there's a blowout, who suffers? It's the public.

12:40

These are things that need to be in consideration. We're not talking about the landowner, taking away his rights if it's in the best interests of the oil company to drill a well on that land and that farmer doesn't want it there and then all of a sudden the regulator can say: "Well, yeah. This is bigger." We've got to step back and take a 30,000-foot view and say: well, as industry expands, you know, wells are going to get closer. I've talked to a couple members from the other side that want some sort of urban drilling program, a policy that doesn't allow drilling wells close to towns. Well, with the urban sprawl that we see, cities are continuing to grow and grow. Eventually, if we set a limit of two miles from town, who is to say that in 20, 30 years that well is not going to be right in somebody's backyard?

Those are public interest concerns that we have to continue to look at. This carbon capture should be a huge concern for the public because who's to say where that gas is going to go? Who's to say that eventually, you know, there aren't going to be communities expanding and built overtop of ground that has gas that they don't even know is there? Wrecks happen. We don't plan for these sorts of disasters, but who does? You never know when something is going to happen. It's our job to get this right in legislation now so that we can protect our future Albertans and our communities and our towns and do things that need to be done to protect their safety. That's the public interest we're talking about. It's the general public that can be affected by decisions that we make here.

Thank you.

The Chair: Are there other speakers? The hon. Member for Airdrie.

Mr. Anderson: Thank you, Mr. Chair. This is a very good amendment. It's one of my favourite subjects, carbon capture and storage. What a gong show. Carbon capture and storage. You know, I don't think I have met one Albertan at the doorstep, not one – I think I, like many others here, have door-knocked literally thousands of doors, especially in that last election. I think we can all agree we door-knocked – I'm sure the other side, too – thousands and thousands of doors. Does anybody recall somebody saying: "Oh, thank you. I'm so glad you're here. You know, whatever you do, stick to your guns on carbon capture and storage. That's the key. If we can make sure to pump CO_2 into the ground, into those aquifers, I know that's going to better the lives of my children. I know that that's going to better the lives of the sick and the disabled. I know that it's going to better their lives."

You know, I'm pretty sure that not once did folks hear that at the door because it's not a priority for Albertans. Apparently the Member for Edmonton-Gold Bar has said that he did hear that at the door. That's fantastic. That's fantastic. I did not, and I'm sure most did not. Maybe he did hear it at the door. Maybe there are a couple people out there that feel this is a priority for Albertans. I would say that the vast majority do not.

I would say that the vast majority think that – well, they break into several different groups. Some think it's a danger. I heard that quite a bit. It's unproven at such a large scale. This has never been undertaken at such a large scale. What are the effects going to be? Much like fracking and so forth, we don't necessarily understand all the effects, so there are some people that feel that way. I'm open to seeing what the facts and the studies and the research and the science say on that. But, you know, that certainly was one concern that was expressed with regard to carbon capture and storage, the safety on such a mass scale.

Another one you would hear is that it just costs too much money. How can we possibly justify spending $2 billion on projects like this, giving money to some of the largest corporations like Shell? Nothing wrong with Shell, but they sure don't need $800 million, or whatever they got. They don't need that amount of money. They've got plenty of money in the bank to spend, so why are we spending that $800 million?

You know, the other side is always saying: "What would you cut? What would you cut?" Then you give them a $2 billion thing to cut, and they say, "Oh, well, what would you cut still?" Well, $2 billion is a massive amount of money. I don't know if the other side understands that, the amount of money that that would cost, $2 billion for carbon capture and storage. It says specifically that we have to consider the public interest, "having regard to social and economic effects of the project." Dead on. Dead on. If we're looking at the economic effects of the project, as is said in this amendment, we have to consider: what could that money be spent on? What are the opportunity costs of that money, that $2 billion? Well, $1 billion is roughly the cost of twinning the road to Fort McMurray. Half of that amount is enough over four years: $250 million or so a year, if that's how long it takes, four years. You wouldn't have to borrow. Imagine that. You could just twin your road to Fort McMurray.

If you didn't want to do that, you could build schools. Could you imagine, Minister of Education, how many schools you could build with $2 billion? Could you imagine? It would be huge. You could immediately take care of any school infrastructure deficit you had with, probably, less than a quarter of that amount of money. It would be doable.

When we put this money down there, we have to think: well, what aren't we buying in this regard? What are the opportunity costs. What are we giving up? Of course, we're giving up a balanced budget. People say, "Oh, well, you know, we've got a triple-A credit rating." Well, guess what? France had a triple-A credit rating until yesterday. Now they don't. The United States had a triple-A credit till last year. Now they don't.

The Chair: Hon. member, we're not debating carbon capture and storage. So if you could stick with the amendment, please.

Mr. Anderson: Absolutely, Mr. Chair. I'll repeat it for everyone's benefit. Section 2 is amended by adding the following after subsection (2).

> (3) Where by any enactment the Regulator is charged with the conduct of a hearing, inquiry or other investigation in respect of a proposed energy resource project or carbon capture and storage project, it shall, in addition to any other matters it may or must consider in conducting the hearing, inquiry or investigation, give consideration to whether the project is in the public interest, having regard to the social and economic effects of the project and the effects of the project on the environment.

So speaking to the bill, speaking specifically to the last sentence there of the last paragraph, "having regard to the social and economic effects of the project," that means that what we're proposing here is that the regulator needs to look at whether these projects, which cost money, will have a social or economic effect that is positive and in the public interest. Obviously, one component of the economic effects and the social effects and whether this is in the public interest is cost. That, obviously, is a huge consideration. If we're spending billions of dollars on these things, what is the side effect of that? What are we giving up because of that? Of course, when we spend any money, that means you're making a choice. You're just deciding to spend it on one item and not on another. That's just the way it is.

12:50

So you've got to take into effect what the opportunity costs are. That's why I think one of the opportunity costs is that when we spend money on such costly projects, one of the economic effects is that we are endangering over the long term, not the short term, surely – over the long term we are putting ourselves and our children at risk of falling into the same spiral as France, the United States, Spain, Greece, and other countries that just a few years ago you wouldn't have thought would have had any problems, much like Alberta is today. You wouldn't think that we'd have problems down the road. Just like: who knew that the U.S. five years ago would be having problems? It happened very quickly because spending got out of control on things like carbon capture and storage and other silly projects that were not necessary and that were economically costly. Now major countries are losing that credit rating and are in a spiral of debt and, frankly, financial ruin.

We're not there yet, by any stretch. No doubt about it, we have a head start because of Premier Ralph Klein and his group. Some of the folks across sat with that group and should be proud of the fact that they paid off $23 billion in debt and set ourselves up, gave us this breathing room that we have now. Again, if we continue to spend money on carbon capture and storage, then the economic effect of that, the social effect of that in the long term is going to be one of suffering. It's not good. We need to start thinking about that; that is for sure.

I would like to suggest that when we are speaking with regard to this bill, when we are undertaking something like a carbon capture and storage project and the regulator is looking at it, then we have to make sure that they do take some time to adequately assess what all of the social and economic impacts are and whether they are in the public interest. As I said earlier, when we were door-knocking out there, I don't think you had too many people rushing up, maybe one or two but certainly not a lot, saying that this was a huge priority for the people of Alberta. Because of that I think that the regulator, the board and the regulator being established by this piece of legislation, should spend the resources that it needs to calculate properly the economic effects of these projects, whether they're in the public interest, and what exactly are the social and economic benefits or nonbenefits, damages.

One of the social problems, of course – well, there are many. We talked about the safety issue. We talked about the opportunity cost. If we even had half of that $2 billion, how much could we spend on the elderly? How much could we spend on making sure that we took better care of our autistic children, of our students with special needs, who are chronically underfunded after the

preschool program, which is very good, but afterwards the funding goes way down and they don't have what they need. Anybody with an autistic child will tell you that. There are all kinds of different social and economic effects that come out of this, and unless we have a full vetting of those things before we undertake such costly and potentially dangerous projects like these massive carbon capture and storage boondoggles, then I just think that we're setting ourselves up for a lot of unfortunate, deleterious effects.

That's just one way of looking at this amendment. We'll certainly have a lot more to say on it, but I think that we need to make sure that these carbon capture and storage projects, since we are spending so much money, are part of this piece of legislation. I think that our caucus and that caucus should get up and talk about this issue and have a full and frank discussion about it.

The Chair: Thank you, hon. member.

Are there others? The Member for Lacombe-Ponoka.

Mr. Fox: Thank you, Mr. Chair. It's once again a great pleasure to rise and speak to Bill 2 and the amendment put forward by the Member for Strathmore-Brooks. It's an honour to be here with him in this Legislature and with the rest of my colleagues.

Now, we are debating the amendment put forward on public interest. I'm going to focus in on section 2, which is amended by adding the following after subsection (2):

> (3) Where by any enactment of the Regulator is charged with the conduct of a hearing, inquiry or other investigation in respect of a proposed energy resource project or carbon capture and storage project, it shall, in addition to any other matters it may or must consider in conducting the hearing, inquiry or investigation, give consideration to whether the project is in the public interest, having regard to the social and economic effects of the project and the effects of the project on the environment.

Now, we have noticed that throughout Bill 2 all references to the public interest have been removed, and there were four in the previous ERC Act, as difficult as it may sometimes be to ascertain. Given the expanded and consolidated powers of the regulator, it is even more important and it is our duty to consider that the public interest be present in this bill.

Precisely this exemption from considering the public interest is part of what allowed the massive overbuild of power lines to occur under Bill 50. Massive overbuilds. These kinds of exemptions just cost Albertans. They cost me, they cost my friends, and they cost you. They cost all of us. It's really not necessary to add burden to all Albertans, including ourselves here in the Legislature, because of these kinds of things.

Now, I wouldn't want to see something happen that we could have caught with an amendment like this on public interest. I mean, let's focus in on the mandate of the regulator.

> 2(1) The mandate of the Regulator is
>
> (a) to provide for the efficient, safe, orderly and environmentally responsible development of energy resources in Alberta through the Regulator's regulatory activities, and
>
> (b) in respect of the energy resource activities, to regulate
>
> (i) the disposition and management of public lands,
>
> (ii) the protection of the environment, and
>
> (iii) the conservation and management of water, including the wise allocation and use of water,
>
> in accordance with the energy resource enactments and, pursuant to this Act and the regulations, in accordance with specified enactments.
>
> (2) The mandate of the Regulator is to be carried out through the exercise of its powers, duties and functions under the energy resource enactments and, pursuant to this Act and regulations, under specified enactments, including, without limitation, the following powers, duties and functions:
>
> (a) to consider and decide applications and other matters under energy resource enactments in respect of pipelines, wells, processing plants, mines and other facilities and operations for the recovery and processing of energy resources;
>
> (b) to consider and decide applications and other matters under the Public Lands Act for the use of land in respect of energy resource activities, including approving energy resource activities on public land;
>
> (c) to consider and decide applications and other matters under the Environmental Protection and Enhancement Act in respect of energy resource activities;
>
> (d) to consider and decide applications and other matters under the Water Act in respect of energy resource activities;
>
> (e) to consider and decide applications and other matters under Part 8 of the Mines and Minerals Act in respect of the exploration for energy resources;
>
> (f) to monitor and enforce safe and efficient practices in the exploration for and the recovery, storing, processing, and transporting of energy resources;
>
> (g) to oversee the abandonment and closure of pipelines, wells, processing plants, mines and other facilities and operations in respect of energy resource activities at the end of their life cycle in accordance with energy resource enactments;
>
> (h) to regulate the remediation and reclamation of pipelines, wells, processing plants, mines and other facilities and operations in respect of energy resource activities in accordance with the Environmental Protection and Enhancement Act;
>
> (i) to monitor energy resource activity site conditions and the effects of energy resource activities on the environment;
>
> (j) to monitor and enforce compliance with energy resource enactments and specified enactments in respect of energy resource activities.

1:00

Now, I really don't see why we don't want to include the public interest in this and add through this amendment:

> (3) Where by any enactment the Regulator is charged with the conduct of a hearing, inquiry or other investigation in respect of a proposed energy resource project or carbon capture and storage project, it shall, in addition to any other matters it may or must consider in conducting the hearing, inquiry or investigation, give consideration to whether the project is in the public interest, having regard to the social and economic effects of the project and the effects of the project on the environment.

Now, I don't see where there could be any issue with this. I mean, we're here for the public interest. We're here because of the public interest. We're here to speak on behalf of our constituents and to make sure that they are protected under law. Well, this is one where we can protect them. We can protect them through regulation. We want to make sure that their interests are seen, heard, and listened to. Well, not even listened to; comprehended. I mean, it's one thing to listen, but it's another thing to actually listen and comprehend what the speaker is saying. Well, let's listen to and comprehend what Albertans are saying and what Albertans are telling us. They're telling us that their interests are important. Of course they're important. They elected us to be here to speak for their interests.

Now, there are varieties of interests, but I think specifically in this act the interests that we're talking about are their safety

interests. I mean, what would happen if we inject carbon dioxide into our aquifers? We hold millions upon millions of cubic feet of this gas underground, and it escapes. It escapes in a town. Are we suffocating? Maybe. Are we getting hurt? Probably. Are we hurting our province? Most likely. Are we hurting society? Definitely. I mean, that's not in the public interest. We need to have the public interest taken into account when we talk about these kinds of legislations. We need to make sure that their interests are protected when we debate legislation, when we craft legislation.

Here we are. We're talking about an amendment on public interest. We have a golden opportunity to include this in Bill 2 and make sure that Albertans' public interests are covered off. Now, I don't understand why we would need to stand here all night and talk about this. I feel that, you know, the way that everyone pays attention here, I shouldn't have to repeat myself and we shouldn't have to repeat ourselves over and over again and that we can extend the olive branch and say: look; we're just trying to make a piece of legislation better, and we can do that as all 87 MLAs in this Legislature.

Now, public interest is probably the number one reason why we're here. I think I said this earlier. I mean, we have to take paramount – paramount – efforts to make sure that we're covering off the public interest, that we're covering off Albertans' interests. I want to make sure that this amendment is debated and considered and voted on and hopefully passed. I stand up here in good faith and speak on behalf of the constituents of Lacombe-Ponoka. I keep their minds in my heart when I'm doing it because they're the ones that are guiding me on what they want me to say here in the Legislature, what message they want to have brought forward, and public interest is that message that's being brought forward.

I mean, we saw it with Bill 36, Bill 24, Bill 19, Bill 50. They didn't feel that their interests were being heard when those bills were passed. Now we're looking at a bill, Bill 8, which rescinds part of Bill 50, and clearly public interest was heard on that. Let's not have to pass a bill without public interest in it and turn around and come back inside six months, a year, maybe two years, after Albertans rise up and say, "Were we consulted? Were we heard? No. Do we need a change? Yes," and then have to go back and go through this all again just to pass something that should have been in all along. I mean, we just shouldn't be having to do that. I'm hoping that the members here tonight will vote in favour of this amendment because it is a good amendment. It's a common-sense amendment. It's an amendment that all Albertans can rally behind. I really feel that all of the MLAs here could actually rally behind it, too, and pass it. There really is no justifiable reason why, I think, we should not pass this.

It's giving consideration back to the public interest, back to Albertans. Albertans need to be heard on this. Their interests need to be thought about every time – every time – we do anything that affects their lives in this province. I would hope that when I sit down here, we have the opportunity to continue to debate this and that maybe we can win some of your hearts and your minds over if you are indeed listening to what we are saying here tonight and listening to what Albertans are saying and put their interest, the public interest, at the forefront of our thoughts. I know that they are at the forefront of my thoughts. I know that they are at the forefront for the Member for Rocky Mountain House – or Rimbey-Rocky Mountain House-Sundre.

An Hon. Member: Almost got it right.

Mr. Fox: Almost.

An Hon. Member: It's getting late.

Mr. Fox: Yeah, it is getting late, isn't it?

The Member for Calgary-Shaw, the Member for Airdrie, and the hon. Minister of Energy over there as well – I know that he wants to put the interests of Albertans first and put the public interest first as well, so I would hope that we do support this amendment, that we do pass this amendment, and that we can say emphatically that the public interest is in this bill.

Thank you.

The Chair: Thank you.

Other speakers? The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you very much, Mr. Chair. This is significant. Carbon capture is not something that the public has taken lightly. It's not something that the government has taken lightly, given the amount of money that has been designated for this. We know that that's only the beginning, not even remotely addressing the problem. Meeting with industry dealing with this very complex issue, industry is not dishonest about this whatsoever. They know that the technology has not been fully developed. It is still in the theoretical stages in every shape, way, and form. There are trials going on dealing with carbon capture, but the data, the results, the findings of how well it is working are not yet determined. There are some initial results, yes, but the overall idea of what we want to do for carbon capture has not been finalized, and the technology itself has not been developed to where they can do the type of carbon capture that they want to.

I get to talk now about my favourite subject, which is the public interest test. I thought I heard somebody pray there for a second. Dealing with the public interest, Mr. Chair, it's one thing for this regulator to be dealing with an individual landowner, farmer, an individual company. When we look at these carbon capture projects, these are significant in size and magnitude. Depending on what we are dealing with as far as geology, there is this level of unpredictability.

What we do know about one of the carbon capture trials that took place – and this happened to be in Saskatchewan. There was a failure in what they did. Now, the interesting thing about the failure, and this is where it comes to dealing with the public interest: it happened to an adjacent landowner. It didn't happen to where they had – I'd have to go back and check the data, but I think it was a substantial piece of land that they retained to trial this project. It was an adjacent landowner much further away that experienced the problem. Again, somebody who was not directly and adversely affected when this was first proposed suddenly becomes now directly and adversely affected.

1:10

When we deal with any type of regulatory process – in this case this will be the regulator – they will make regulations making the determination of various distances, dealing with everything from sour gas, everything from flaring, and it gets even more complex. Distances as far as those who are directly and adversely affected will be adjusted accordingly. All that will be taken care of in regulation. We're going to do that with carbon capture.

The question is: when they do it, under what mandate do they make this determination? Do they make it under the mandate of just dealing with the company that wants to incorporate carbon capture, or do they do it just strictly on the mandate of the individual landowner? Really, with carbon capture this is the whole public interest all in one nutshell. The only reason we're

doing carbon capture is because of our public image of dealing with the oil sands and the type of development that we do.

Now, truth be known, carbon capture is a real issue in the coal-burning environment. We know that. We have a federal mandate to accelerate the decommissioning of our coal generation or the upgrading, which is significant, to where it does what we call combined cycle gasification. In order to capture carbon from coal, you have to do the gasification methodology. There's no other way you can capture that CO_2. It's really important because the social and economic effects of this, which are what this amendment addresses, spread out now throughout the entire province.

Carbon capture through combined cycle gasification is extremely expensive. If it is determined that that's the methodology we're going to use for carbon capture, keeping our coal generators versus retirement – those are the two options coming – there are two things that are directly affecting the public at large. One is the cost of carbon capture and what do to with it. The second is the added cost of electricity as a result of the generation because we've taken what used to be, then, cheap coal, and we have now raised that price up to where it's no longer cheap.

Now, a prime example of that is Genesee 3. Genesee 3 is one of those more efficient – it's not really combined cycle, but it's using a different technology where they do not pollute, they do not admit the CO_2. I shouldn't say that. They do not admit all the nasty other pollutants that what we call the pulverized burning method does. The coal pulverization isn't happening there. They're doing something different, which is basically cooking the coal and doing something very similar to combined cycle gasification. The problem that they've discovered is that they can't be competitive. That's a problem for the entire public here.

We're dealing with the issue of the public interest when we ask this regulator to look at this. The mandate is for the regulator to deal with carbon capture. That has to be part of the equation for the regulator to figure out, how they're going to make a decision that is not just for the public interest but the social and economic effects that the project is going to have on the public. Now, this is important.

We have discussed this with transmission lines on and off, and I know we'll discuss it again in another bill. The cost of energy is paramount to the efficiency of our economic system, particularly growth. If we have a high energy cost internally in Alberta yet we are a very wealthy province in energy development, in energy extraction, in energy export, we're penalizing ourselves and are hurting our own economic activity, particularly when we deal with those subsidiary industries that actually benefit from our energy development. What happens, what they're telling us is going to happen if internal prices in Alberta are high: this is all related to the social and economic effects of a project. We have industry members who are telling us that if costs rise to a certain level, it is then an option for them to relocate to another jurisdiction where they can have consistent, cheap, and reliable electricity prices so they can run their business.

I'll give you an example. There was a plastic manufacturer that I had spoken to who basically gave me a scenario. If they were looking to relocate, they would like to relocate to Alberta because it made sense because that's where the natural resource is that they use in their processing for their business. However, electricity costs that spike up and down would be detrimental to their business. Then it would make better sense if they were to relocate as close to Alberta as possible but in a jurisdiction where they had more stability. They still would be close to the resource as much as possible. The jobs would go to another jurisdiction and not to Albertans. So it does play a role in our economic activity, in our economic growth.

This is not a light subject in the sense that it's one of those fuzzy, feel-good amendments saying that the social and economic impact of any project should be dismissed arbitrarily. It is in the public interest that these projects be evaluated not just on the merits of what they are doing for the industry that's proposing them but also on the merits of their entire broad impact on the public.

Looking at this amendment, it allows the regulator the flexibility to make this determination and this evaluation.

Backing further into this amendment, when it's talking specifically about carbon capture, the impact of what that project could do is not just related to pumping the CO_2 under the ground. Also, there's going to be the necessity for massive pipelines to push that CO_2 to where they want to then pressurize and put it underground. So there need to be pipelines that are built. Do they get built from point A to point B in a straight line? Not necessarily. Should they be built in a utility corridor? That is important. I would say yes. We should look to create utility corridors. It makes sense from a business point of view. Industry likes the idea. The public generally likes the idea although nobody wants to sell their land for a utility corridor unless they get a lot more for what it's worth. But for our future growth that would be one of the aspects that this regulator should have to consider, and that would fall under the economic effects.

On the social effects of a project, it does change the demographics of a community depending on what type of industry is just plopped down. I'll give you an example. I believe it's west of your riding, Mr. Chair, where they were talking about developing a major coal mine. I think it was northwest of your riding if I'm not mistaken. That was significant because that took a large geographical area, and it affected barely 200 or 300 people, but the size of that area was probably bigger than Edmonton. I mean, it was significant because there were large landholders out in that area.

It took a huge area, but then when you develop that, what happens to the water table? That was an important question. So you're dealing with the same situation, where the social and economic effects of a project spread out well beyond those who are participating, well beyond the people who are directly and adversely affected as landowners. Now you're dealing with an aquifer that feeds an entire water system that many communities would feed off, not just individual landowners.

Now, we have that same type of situation west of Rimbey. We have an aquifer that goes from Rimbey all the way back to the foothills. It's well established, it's well documented, and hydrologists and geologists are quite familiar with it. What happens when we start pumping CO_2 into the ground? This is a question that I don't think anyone has an answer for, but it is something that the regulator would have to be concerned with. We know we run into problems because we've experienced problems when we've pressurized and tried to push something down a well and found out it blew out another hole two or three miles away. That just happened down in Innisfail, and I brought that example up earlier.

1:20

We know that with carbon capture there's a significant amount of pressure that has to be utilized to push that CO_2 underground. Whenever you pressurize underground, it's always the path of least resistance. One of the huge problems we have in this province is that we've got lots of areas where it's like a pincushion. We've got abandoned wells that people don't know

anything about unless you were the person that was there 50, 60 years ago when they first did a test well that was unproductive. We have lots of seismic activity where they barely plugged up the top of the hole, but we have lots of holes underground. Once you start pressurizing, wherever we're going to plan on pushing the CO_2 on this carbon capture, we're going to find out where the weak spots are.

Also, one of the other problems that no one knows anything about is all the fracking that we're doing, and we're doing a lot more fracking than we've ever done in the past. That is done horizontally. As we break those coal seams, we are creating a path of least resistance once we pressurize CO_2. We know from experiments in Colorado that that travelled great distances and came up in waterways. It shocked them, it surprised them, but they were able to trace that back.

We're back dealing with the whole issue of the public interest test. It's important that it be in this legislation for this particular industry, which is the carbon capture. Now, there are other aspects to this, and that has to do with the whole purpose of carbon capture. The only reason we're doing carbon capture is for the public interest. We have an issue in the world called global warming. We have an issue in the world that is about the rising levels of CO_2. We deal in an industry that is going to benefit both in a public relations scenario and in a – well, let's just deal with the public relations scenario. Our customers are international customers, our resource is an international strategic resource, but we have people who are giving us a black eye environmentally for our industry's repercussions, let's call it. For our own markets if we clean up our act, we enhance our ability to export our products. That would go to the public interest, that social, economic effect of the project.

Here we're dealing with issues of CO_2. What do we do? There are a number of things. What is in this amendment that has not been pointed out is that it talks about inquiry and investigation. If the regulator did some inquiry investigation, much like our sustainable resource committee, what they might find is that with the development of hydro up north, the oil sands would no longer need to burn natural gas, in particular coke from the bitumen that they burn, which is about half a million barrels a year according to their own statistics.

If we brought that hydroelectricity down to the oil sands and they no longer had to burn that fuel but that fuel could be used for sale, that's an immediate payback for that industry. But the most important payback is environmental, that they would reduce that CO_2 emission. That is significant compared to the cost of carbon capture. That would fall under the whole idea of investigation and inquiry in the public interest, which is what is brought forward here in this amendment. If you bring that hydroelectricity all the way down to Redwater and tap into the local grid, now we have something to work with to deal with the coal plants that we've been mandated by the federal government to accelerate the decommissioning of.

Now, with a regulator that has that ability and is mandated to investigate and to inquire, we could in effect, if we were to accelerate that hydroelectric development, have one of the lowest CO_2 emissions in North America yet still be a high exporter of oil and gas. That is huge in our public relations in dealing with our major driving economic engine, which is the oil sands. So in dealing with environmental groups who want to do nothing more than give us a black eye, we actually have a mechanism that says that we can improve what we're doing without increasing our export level yet reducing our environmental footprint. That is better than going out and denying that we are something we are not. What it does is that it allows us to go out and say: "Look at us. Look how well we're doing it. We're cleaner than you."

Dealing with the issue of carbon capture is a significant issue. It has tremendous impact on how we as a government, how we as a society, and how we as an industry . . . [Mr. Anglin's speaking time expired]

The Chair: Thank you, hon. member.

The hon. Member for Calgary-Shaw.

Mr. Wilson: Thank you, Mr. Chairman. I rise today to speak in favour of this amendment. I do believe that it is worthy of consideration, and I hope that the government does consider it. I reflect back on my time knocking on doors during the last campaign, and this was a rather polarizing issue. There were many people who were confused as to the government's decision to take a giant piece of an economic pie and invest it in an unproven technology. I will admit that I ran into one individual who was rather up to speed on the whole, I guess you could say, way in which it's done. He's involved in fracking and has a great understanding of the potential for carbon capture, but even he was very much confused about how there could be any economic benefit or net benefit for this.

I will note as well that we're fast approaching 1:30 in the morning. I believe this is a record for the 28th Legislature. I would like to thank the support staff, Parliamentary Counsel, and our pages, who seem to age rather drastically at around 10:30, 11 o'clock at night. It's great to be taking part in democracy in Alberta at 1:30 in the morning. Thank you to all the government members for having us here.

The Chair: Hon. member, if I could just remind you to keep your comments to the amendment and not, maybe, to a larger topic.

Mr. Wilson: Oh, I'm sorry. Am I supposed to be talking to the amendment? I apologize, Mr. Chair.

The Chair: No, no. I appreciate your thanking the staff, but a lot of the speeches recently seem to be going on a much broader topic than what is the amendment. I hope you would keep your comments to the amendment.

Thank you.

Mr. Wilson: Thank you for the clarification, Mr. Chair. I appreciate that.

I do believe that there is reason to have a regulatory process involved, specifically around the carbon capture process. You know, when we look at the fact that it is an unproven technology and that it has been documented, well documented, that leakage does have a potential for long-term impacts, that should not be taken lightly. That is a clear need for a regulator to be able to weigh the balance of an environmental impact with the needs of the public interest of Albertans and the needs of an energy industry.

Again, if you look at some of the economic concerns with CCS globally right now, it is an industry in decline. I believe there are eight actual projects that are up and running, and many of them are not economically viable at all. Because any sort of leakage could cause large-scale atmospheric warming, it's possible that it could require even more investment long term to actually resequester the lost carbon. I'm not pulling these facts out of thin air. This is documented evidence that people who are much more familiar with climate science than I am have stated in their case.

1:30

The act itself talks about how the mandate of the regulator is "to

provide for the efficient, safe, orderly and environmentally responsible development of energy resources in Alberta through the Regulator's regulatory activities" specific to the protection of the environment. So if we have CCS and we know it's unproven, it just simply makes sense to have a body in place that is going to be able to weigh all of the costs.

I guess the global market for CCS is also in decline as well, and Kyoto was kind of a motivating factor and a catalyst for the start of this industry. It seems to have failed. It's not going to come into effect. I think that in the public interest of Albertans it's important that we look at the amount of money we are going to be spending on this. If we do look at specifically the social cost, which is what this amendment addresses, we look at the amount of money that we could be reinvesting elsewhere. We talk about antipoverty. We talk about how this Premier has put forward a promise to Albertans to end homelessness, to end youth poverty, child poverty, yet here we have a massive amount of budget going to an unproven technology.

Again, if we had a regulator as per this amendment, they might have the wisdom. If this board is comprised of the types of individuals that we had debated about earlier in our amendments, that are sound business minds, many of them would probably look at the net benefit of this and go: "This is ridiculous. There's no possible way that there is an economic benefit to Albertans."

I believe that there is plenty of reason for us to look at this, to give it strong consideration. I appreciate the time. Thank you, Mr. Chair.

The Chair: Thank you, hon. member.

Are there others? I'll recognize the Member for Vermilion-Lloydminster.

Dr. Starke: Thank you, Mr. Chair. I rise tonight to address this amendment because it does address the issue of carbon capture and storage and the interesting comments that were made by the hon. Member for Airdrie, in which he called carbon capture and storage a gong show and, you know, some of the other spectres that we're raising with the unproven technology, as it's been quoted, and some of the other quotes.

You know, I've spent a fair bit of my professional career explaining science in some issues that can be twisted. The whole world is not scientific. One of the areas, for example, that I get really frustrated with is some of the half-truths and in some cases flat-out nontruths that deal with, for example, production of beef. That's something that I've defended throughout my career. You know, we get some friends like Dr. Suzuki who tell us that there are hormones and that there's all this other stuff that is going to be bad if you consume beef. Well, we've spent a lot of time defending the beef industry. We've defended the beef industry here. I'm not a geologist, and I'm not a petroleum geologist, so I don't know everything there is to know about some of the background on carbon capture and storage, but I do want to say a few things and clarify a few things to members of the House so that there is a balanced discussion on this issue.

Carbon capture and storage has in fact been going on for not just the last month or the last year, but since the year 2000 carbon capture and storage has been going on in the area around Weyburn, where it's involved in an enhanced recovery oil project in which a coal gasification plant in North Dakota runs a 330-kilometre pipe up to the fields near Weyburn. They've been doing enhanced oil recovery in those fields since that time.

Now, the estimate from geologists is that there are hundreds of years of capacity for carbon dioxide storage down there. The notion that somehow the Earth is going to explode under our feet because there is too much pressure: these are the kinds of things that for a society that maybe doesn't have a lot of scientific background, to start to raise the spectre that these sorts of things are going to happen is, I think, somewhat irresponsible.

I think that what we have to do is rely on the science as best we know it and recognize that not all science is perfect and that at times things change. But to suggest and to speak in public and say that this is untested technology and that there are going to be all these dire consequences from this, it's not an accurate depiction. Not everything is perfect – I recognize that – but to suggest that there are some dire consequences from this is problematic to me.

The second thing that's been raised about carbon capture and storage is this huge amount of money that the Alberta government has devoted to this. With regard to the amendment here and how we're going to regulate this, I'd like to say that the Saskatchewan government, which some of our friends opposite have so often quoted as being such a great government, have also devoted $1.24 billion to carbon capture and storage technology. This is not something that's exclusive to Alberta, but Saskatchewan and, in fact, many jurisdictions world-wide are investing in CCS technology because it's the price you pay for being in energy extraction today. That is the price you pay.

In fact, the hon. Member for Rimbey-Rocky Mountain House-Sundre said that, that in order to play in this game and in order for your energy extraction industry to be accepted world-wide, you have to demonstrate that you are doing something to address the situation of global warming and carbon dioxide. That is how we are addressing it. It is the admission price, if you like. It is the cost of doing this business. If you don't want to spend the money and say, "You know, that's how we could pay for these other programs," well, that's fine, but if you think that Alberta oil is being hard done by on the world market today, watch what would happen if we dropped all reference to CCS. Folks, whether we like it or not, whether we think it's tested or not, whether we think it's good technology or not, at least for right now it is the price of admission into this game, and that is something that we need to recognize.

Now, the other thing I'd like to point out is that there was talk about: when we were door-knocking, was there talk about this? Well, actually there was, Mr. Chair. I'd like to say that with regard to the regulation of this and what's suggested in this amendment, we, in fact, have carbon capture and storage going on right in my constituency. Well, technically it's not my constituency because it's on the other side of the border, but it's real close, and quite frankly I'm not worried about carbon dioxide bubbling up under the ground on my eight acres. In May of this year I attended at the Husky carbon dioxide recovery plant in Lloydminster. This is a major project, and there's a lot of excitement. Even the CEO of Husky said that it's a double bang for the buck because they are collecting carbon dioxide from our ethanol plant, and then they are using it for enhanced oil recovery from our heavy oil fields around Lloydminster.

Mr. Chair, with regard to the discussion on this amendment and with regard to the whole introduction of the discussion of carbon capture and storage, I will say, members, that while I don't understand necessarily everything there is to understand about geological engineering or the whole petroleum engineering field, when I read on websites that are published, for example, by the Massachusetts Institute of Technology and they deal with and list and talk about CCS technology, I tend to rely on the expertise of those people. I would suggest that rather than using CCS as a political football and sort of saying, "You know, under the spectre of this untested technology we're going to pump hot air into the ground" – in fact, it's been going on for quite a long time. It's

been going on, as I said, in our neighbouring province, the province that many of us are now saying is catching up to us, and perhaps they are.

The province of Saskatchewan, which I'm at least somewhat familiar with because I went to school there and I can see the province of Saskatchewan from my front door, unlike some references that were made a few years ago, they are doing this. They're doing this very successfully, and I would suggest that they are investing a huge amount of money into this technology as well, not just the province of Alberta. And, by the way, the federal government is also involved in investing in this.

Mr. Chair, those are my comments with regard to the amendment, and I thank you for your attention.

1:40

The Chair: Thank you, hon. member.

I recognize the Member for Airdrie.

Mr. Anderson: It's always great to hear a government member stand up and talk to an amendment. [interjection] Yeah. I'm just responding to exactly what he said. Ten minutes.

We talk about the price of being an energy producer. It is $2 billion for carbon capture and storage. How is that working for us? We can't get our pipelines built. The environmentalists are all over us on every single level. We can't convince the President of the United States to finish that pipeline. Nothing is getting done. The differentials are worse today with regard to the discount that we take on our bitumen than they have been in a very long time because of that.

You can't negotiate with these people, hon. member. They're not open to negotiation. These are extremists that we're dealing with in a lot of cases who will not stop until we stop producing oil sands oil. You can spend $5 billion, you can spend $10 billion on carbon capture and storage. It ain't going to make a difference. They are going to continue to come after us over and over and over again. So we can either look at that and say, "Okay; well, we're just going to spend $4 billion or $6 billion or $10 billion or $20 billion on this," or we can do things that are actually going to help the environment immediately in Alberta, that are actually going to improve air quality, that are actually going to improve access to public transit, that are going to improve lives and the economy and all these things. Those are the things that we can do that will have environmental benefits and will help the people of Alberta. We can spend it on education. We can spend it on all the things that are going to help Albertans. If it's just about pouring money into this carbon capture for the fleeting hope that these environmental extremists will back off Alberta, they won't. Greenpeace is going to keep on doing it.

I think that we have to be very truthful in thinking about this. We can't just run around and try to claim that throwing more money at a public relations exercise, which is really what this is, is going to somehow benefit this province. It's not. I mean, I've heard former Premier Stelmach talk about this, and I believe his intentions were absolutely sincere. He felt and others feel that in order to play in the energy business, we have to throw some money at this technology or that technology or whatever to be seen as doing something.

The Chair: Hon. member, with all due respect, could you . . .

Mr. Anderson: Well, he just talked for 15 minutes on this exact thing, and you didn't say a word.

The Chair: I did. Did you see me doing the same thing, hon. member?

If we could stick to the amendment, please, both sides.

Mr. Anderson: I'll stick to the amendment.

The Chair: Thank you.

Mr. Anderson: All right. When we're talking about the public interest, when we're talking about the social and economic effects of the projects, including carbon capture and storage, I think one of the social and economic effects of these projects is the cost and what it costs Alberta. We do need to think very hard about whether we are just pumping money down a black hole. That's what it feels like. I don't see any kind of benefit that we've received from doing this, nor will we, I think.

Obviously, it's important to go to our trade partners and talk with the reasonable human beings out there that actually care about energy independence in North America and care about having good, low energy prices for economic development and so forth. Those are reasonable people, and they exist in Congress down south and so forth. Let's talk to them and do the best that we can. But the people that we're trying to placate with this CCS stuff – it is not working at all, and I don't think it will work. It's just a black hole. I would say the same thing to the Saskatchewan Party in Saskatchewan or the federal Conservative government. It's a mistake. It's well intentioned, but it's not working, and you'll never satisfy these folks no matter how hard you try.

Going back to this amendment, with regard to the social and economic effects of these carbon capture and storage projects I will say that absolutely we need to look at the best, most recent science that we have on CCS. He quoted studies from MIT and others. There's no doubt that CCS has been used for a very long time but not on a large scale. It's been used, obviously, for enhanced oil recovery. It is a proven technology in that vein on a small scale. But when you're talking about this massive-scale project, these massive aquifers that we're talking about, pumping a huge amount – a huge amount – of CO_2, that has never been done before at these levels. Enhanced oil recovery takes a fraction of the carbon dioxide. It's a fraction that's used compared to these large-scale projects that we're talking about.

The other piece is that things have to be economical. In a lot of cases here, like with regard to Shell and a lot of these coal projects, some of these projects that are applying for the CCS grant money are not even doing it with enhanced oil recovery. They're just pumping it straight into the ground, and that, to me, is an even worse waste of money. It's not economical to do this, which is why the government has to put so much money into it.

I guess my view of it is that if it's not economical, why are we doing it? If it's not economical for a company as large as Shell, who has all the economies of scale that a company could possibly want or wish for to work with yet still can't make it work without $800 million in a grant to a private corporation – only then can they make it work and justify the economics – I mean, what's the point? Surely, that's a negative social and economic effect, as this amendment alludes to. So that's something to take into consideration, too.

Why do we feel the need to have to sponsor these things as a government? Why do we need to continue to give these corporate handouts? It's just not necessary, and it just hurts us on so many different levels. We could be spending that money not only on balancing the books but just on all kinds of issues. You can talk about child poverty issues. You can talk about any social injustice that's out there. We could help to address those issues with that kind of money. Hopefully, we will. I just wanted to point that out.

That said, I do appreciate the Member for Vermilion-Lloydminster's comments on it. You know, I understand the argument. I just think that when we're addressing the social and

economic effects of these projects, we have to be very careful to not include in that column the fact that we've got to do this in order to placate the environmental detractors. The fact is that our environmental record in this province is very good. It could always be improved, but it is very good.

We're doing everything we can. I mean, the classic example, of course, is the birds and the ducks. You know, the lengths that we go to to try to make sure that we don't lose any of those birds is just incredible, the cost that's spent on it. We do that, and it's regulated. Who knows how many we save, but it's millions of them or hundreds of thousands, anyway, each year. Then at the same time when you're talking about windmills and so forth, they kill far, far more animals than our tailings ponds. It's not even close. Of course, we don't want one duck to perish. But why do the folks with the windmills get to slaughter tens of thousands of them and there's no second thought? I guess that's one good thing about CCS. It doesn't kill ducks. That's a good thing. It's probably a zero-duck killer. That's probably a good thing.

So much to discuss on this amendment. This is such a long amendment with lots of words in it. Lots to discuss. I'd like to see what my fellow caucus members or members of the government have to say about that.

1:50

The Chair: Thank you.

Further comments on the amendment? Hon. Members, please, if you could really try to keep your comments to the amendments. I know there is a larger subject here, but for process we're trying to get through this amendment and trying to convince each other of the merits thereof, so if you would.

The hon. Member for Innisfail-Sylvan Lake.

Mrs. Towle: In speaking to the amendment, section 1(1) is amended to add the following after clause (c): "'Carbon capture and storage project' means a project for the injection of captured carbon dioxide conducted pursuant to rights granted under an agreement under Part 9 of the Mines and Minerals Act." I found it very interesting that the hon. Member for Vermilion-Lloydminster provided all that interesting information. I think it actually is very helpful because I myself don't have carbon capture under my property, but I know it's possible.

Some of the more important things that he talked about were all the good things about carbon capture, that this is the way of the future and that, in reality, we'd just better get used to it. But there's something more to that story because on April 26, 2012, Dawn Farrell, the president and CEO of TransAlta, addressed shareholders at the company's annual general meeting in Calgary and talked about Project Pioneer, which is a carbon capture and storage project in which they're partners with Enbridge and Capital Power Company. TransAlta Corporation announced that they have now abandoned their plans to build the $1.4 billion carbon capture and storage facility at an Alberta coal-fired electricity plant because the company had no buyers for carbon dioxide and no way to credit from the plant.

If we're going to talk about carbon capture and storage projects and we're going to funnel money to those projects, then we'd best be making sure that they're actually economically viable and that they have all of the happy effects that the hon. members across the way say. TransAlta noted that its first-quarter profits tumbled on weak power prices and maintenance costs and said it would not proceed with Project Pioneer, a carbon capture demonstration project, with the partners. It also mentions that the project was backed by $779 million worth of funds between the Alberta and federal governments. So now we're backing with taxpayer money carbon capture and storage projects that are not even economically viable. When you are literally talking about that these carbon capture and storage projects should be covered, then we need to make sure that they're economically viable.

The hon. member spent 15 minutes educating us, and I really do appreciate that he educated us on all the good parts about carbon capture and storage and how that could really benefit Alberta and how that is the way of the future and how we just need to get used to it. But if TransAlta, who specializes in this important project and partners with the Alberta government, is spending taxpayer dollars, it would seem that it should concern every single legislator in this House that we're spending taxpayer money on projects that aren't even economically viable to the experts in the field.

Again, this literally goes back to public interest because now we're investing money in projects that have no interest to the public. There's no advantage to the public to throw away dollars on things that aren't economically viable. We will never see the money that we invested with TransAlta ever again. It just won't happen. TransAlta mentions that for the carbon capture and storage project, which is a project for the injection of captured carbon dioxide conducted pursuant to the rights granted under an agreement under Part 9 of the Mines and Minerals Act, it found no firm buyers for the carbon dioxide to be captured at the plant and said that there is as yet no cap and trade system that would let TransAlta and its partners sell emission reduction credits.

That is the situation that we're at. I mean, we can invest in lots of innovative technologies. That's fantastic. But we need to make sure that those innovative technologies actually provide Albertans with an economic future. Carbon capture and storage projects don't necessarily do that. But if they do do that, if they are so great and we're investing taxpayers' dollars into these projects – literally the amendment is talking about carbon capture and storage – then there would be no reason why we couldn't amend this by adding carbon capture and storage projects to the act. If you want to be clear and transparent, then we can easily do that. The process allows for that.

TransAlta also mentioned that two things were instrumental in their decision. The vice president of policy and sustainability for TransAlta said that one was the lack of a suitable price for the pure CO_2 created by the project. So we're talking about carbon capture and storage. We're telling landowners that we're possibly going to pump this stuff under their land. For me, whether or not it's going to emit fumes or gases is not the issue. If you're asking landowners to store carbon on your behalf, then they at least should be getting some sort of economic benefit from it. The second was the uncertainty around the value of emission reductions that would be created by Project Pioneer under regulatory frameworks that are still being developed.

Clearly, even the industry is not so all-in on carbon capture and storage. If the industry itself is not promoting carbon capture and storage, then how can we literally say that we should just ignore it or we should be for it? Again, if you're for it and you're absolutely wanting to do this, then amend the bill to make sure that carbon capture and storage projects are actually included in this bill.

> The Alberta government has earmarked $2-billion for carbon capture as it looks to improve Alberta's environmental reputation. At the same time it wants to boost production of carbon-intensive oil sands crude and continue to generate most of its electricity from coal.

That's from your own website. If the province is going to promote and sell this to the people and to the taxpayers of Alberta, that's fantastic, but then also do it in the bill and make sure that carbon

capture and storage projects are referenced in here and are clear and concise as to what's going forward.

The province has also backed carbon capture projects planned by Royal Dutch Shell PLC's oil sands operation and Swan Hills Synfuels, which is planning to fuel a 300-megawatt power plant using synthetic gas created by heating coal deposits deep underground. Again, the Alberta government is partnering on carbon capture and storage projects. If you're going to partner on carbon capture and storage projects, then there's no reason to eliminate them or hide them out of the bill. If you're going to funnel taxpayer money, then there's no sense why we wouldn't reference them in the bill and make sure that it's clear and concise and transparent to all taxpayers and also to the regulator. If you leave it out, the regulator has a grey area as to how to deal with carbon capture and storage projects. Clearly, this a priority of the Alberta government because they're more than willing to spend significant billions of dollars, billions of dollars that could literally be used elsewhere to build infrastructure, to build schools, to add to our health care system. Instead, we're funnelling it into an industry, and the industry itself is not so sure that they believe in it.

You were talking about that the implied experts would have an opportunity to have a say in this bill on the board of directors and everything. Well, here TransAlta is telling you that the project of carbon capture and storage, this one in particular, may or may not be the answer for the future. The project's name is Project Pioneer. It was cofunded by the Alberta government and the federal government. We are putting money into carbon capture and storage projects, but we're leaving them, eliminating them from this bill. If it's not a big deal, then just put it into the bill. If that allows the regulator to have a clear and concise line – "What am I responsible for? What are we streamlining? What projects are what?" – then literally they can do what's best for Albertans, and the board of directors can do their job properly. Ultimately with this bill, clearly, that's what we're trying to achieve. If we really want to talk about fairness and openness and landowners and a win-win for industry and all that, and if we're truly going to funnel money into carbon capture and storage projects, then just cover it in the bill. It's not a big deal. It's not hard to do.

Thank you.

The Chair: The hon. Member for Calgary-Shaw.

Mr. Wilson: Thank you, Mr. Chair. I will be brief. I did just want to briefly add some comments to what the hon. Member for Vermilion-Lloydminster had suggested. I just want to add some context. When we were coming up here talking about how, you know, there is the potential for leaks, it's not about the world crumbling at our feet. I'll table this tomorrow so you can have a look at it. CBC published an article on June 28, 2010. [interjections] Oh, I'm sorry that the hon. Minister of Infrastructure doesn't find the CBC a credible media outlet.

I will just quote from it:

> Prof. Gary Shaffer from the Danish Center for Earth System Science examined a range of CCS methods to determine their effectiveness and long-term impacts . . . "CCS has many potential advantages over other forms of climate geoengineering," says Shaffer. "However, potential short and long-term problems with leakage from underground storage should not be taken lightly."

It goes on to say:

> The study reveals leakage of sequestered CO2 could cause large-scale atmospheric warming, sea level rise and oxygen depletion, acidification and elevated CO2 concentrations in the ocean.

2:00

The Chair: Hon. member, are you going to tie that back to the amendment?

Mr. Wilson: I most certainly will, Mr. Chairman, and I again will be brief.

The Chair: Thank you.

Mr. Wilson: It goes on to say:

> Dr. Peter Cook, chief executive of the Co-operative Research Centre for Greenhouse Gas Technologies, says Shaffer's figures for geological sequestration mirrors the conclusions reached by the Intergovernmental Panel on Climate Change . . .

Which I'm sure we can all remember as the governing board of the United Nations that basically framed Kyoto and other massive climate change regulations across the world.

Again, I recognize that this is a contentious issue. There are members on the other side that are going to stand up and fight and defend until they're blue in the face the fact that we're spending all of this money on projects. Some of them fail. Some of them don't. Some of them go ahead. Some of them might not. At the end of the day this is Albertans' money. This is taxpayer dollars. There is public interest here. That is why I support this amendment wholeheartedly, and I would urge the government side to reconsider their position because, quite frankly, it doesn't make any sense.

Thank you.

The Chair: The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair. To the hon. Member for Vermilion-Lloydminster: I agree with much of what you've said. I heard that directly from industry also, that if you want to play in this international market today, this is the price we are currently paying. But does it have to be the continued price? That is the question. When I did bring up the issue of a failure, it was in that Weyburn field, but I don't think it was the storage as much as it was the use of CO_2 for enhanced recovery that caused that failure. I would have to double-check the facts on that. My wife is from that region, and that's why we were somewhat involved with the actual landowners that were there.

It is important to realize . . . [interjection] Oh, absolutely. I'm talking about carbon capture and why we should have the amendment. The amendment talks about any proposed energy resource project or carbon capture and storage, and it talks about investigation and inquiry. What I'm responding to is that investigation and inquiry. It's important. Investigation and inquiry should be in this amendment because when we look at this on a broader plane, on investigating and inquiring about carbon capture, there are other methodologies that can be usurped and utilized. One of those is carbon reduction. I guess that would definitely fall under an energy resource project because it all ties right back.

If we're dealing with this issue, which is significant because it's in the public interest – our oil sands is the economic engine not just of this province; it is the economic engine of Canada. It is extremely important. There's no one else in here that would be opposed to our Keystone or Gateway pipelines, I do not believe. These both give us access to markets.

An Hon. Member: That has nothing to do with it.

Mr. Anglin: It has everything to do with it, good hon. member,

because this is about an energy project. With the idea of enhancing our energy projects on an economic basis – we're talking about the social and economic effects, which are right here in this amendment – they should be considering this. This is important. To say that those pipelines are not important to our social and economic prosperity, I would disagree with you. They are. They absolutely are. These issues are really important for the regulator to consider.

Now, we talk about the price to play, and I'm going to quote the member on this. It wasn't my intention to incite fear at all, but I did hear directly from the energy people themselves, from CCS, that they know they have to develop the technology. It is not where they want it to be. So it isn't that we're not doing it in Weyburn or not trying to do it elsewhere, but to the level that we want to do it, we have not developed a major technology. That's significant. That's why this amendment is being brought forward so that the regulator has a chance to actually look at this.

When we actually fully implement this, they know that we're going to build a major pipeline. That pipeline has to have a major transmission line to actually power it. There's going to have to be a tremendous amount of energy utilized to push that CO_2 and then push it underground. That's a fact. I mean, that's not something that's even remotely arbitrary in the theoretical sense. They know pretty much what it will take.

There are other technologies that need to be developed to make this work to their advantage on the level or scale that they want it to work. Really, where a lot of that technology is affecting the carbon capture and the consideration of the social and economic benefits of the project, economic effects, is how we're going to be able to capture that. That's really important because not all processes that produce CO_2 can recapture the CO_2. I mean, that's just a fact.

Dealing with our coal plants is a prime example. In our coal generation only in the gasification combined cycle, or the gasification of the coal, can there be any possibility of capturing the CO_2. In your pulverizing method, which is the dominant method that we burn coal in, you cannot. Now, the reason I'm bringing up coal is that that produces more CO_2 than anything we have going on up in Fort McMurray. The pictures up in Fort McMurray are great. Mostly that's steam although they do produce a lot of CO_2 but not on the scale that our coal plants do.

Here we're dealing with a situation, when we talk about the social and economic effects of a project and particularly its effects on the environment, where if we're able to deal with this matter in the inquiry and the investigation and come up with alternatives that support this so that you're not just relying upon pumping CO_2 underground but you have a chance to reduce the CO_2 emissions by just straight reductions, that's significant. I talked about that hydro project, which, by the way, the oil sands working group is very much interested in, and those members who are on the SRD committee got a little bit of insight into that and will probably get more.

If we can retire those coal plants that do not meet gasification standards, that is going to make a significant reduction in CO_2 emissions. That helps these energy projects, which is what we're talking about when we give the regulator the chance to inquire and investigate in dealing with the social and economic effects, which, when I look at it, is about the social and economic prosperity. That's a great way to push this. That helps our industry just as much as the capture and pushing it underground.

There is a wide range of what this amendment can do by putting it in there and asking the regulator to look at it with a very broad brush. That's the importance of the public interest. Just to sort of reference back to the hon. Member for Vermilion-Lloydminster, the public interest is to assist, not subsidize but assist, our industry to get that bitumen extracted and to the market. We are doing that, I think, in good faith and in many cases efficiently, but there are problems in our way. We know we need to build pipelines to make that work better. We know we need to deal with the CO_2 to make it more efficient and more palatable for our market. But one thing is absolutely clear. What we have is a strategic resource, and if you look at that, it's an international strategic resource. There are two main players that are really looking at our bitumen, the U.S. military and the Chinese economy. They both have their eyes on that. At that level, looking at it from there, this is where we have a price to pay, which is the carbon capture. You want to play; you have to pay. I'm just paraphrasing the hon. member.

2:10

We know that our market, particularly in the U.S., has significant issues dealing with CO_2 and global warming, climate change, but China is no different. If you really look at the Chinese market, they are doing things that are not good, and they are well ahead in other areas of doing things that are good. There are important aspects of showing or leading the way in the extraction of our resource and developing that in a way that our market is not offended by.

We give this authority to our regulator to be charged with the conduct of any inquiry or any investigation with respect to the project. It will consider matters when it's conducting this inquiry or investigation, "give consideration to whether the project is in the public interest." That's that broad term we've discussed multiple times today, that we continue to discuss, and that I will continue to discuss because this is where that public interest now comes into play.

It is so important. It's not one individual landowner. We all benefit. In my riding, Rimbey-Rocky Mountain House-Sundre, we benefit. With the development of our oil sands most of my constituents that work in that industry travel up to Fort McMurray. That's where their wages are earned, and they come back down on their time off. To say that it is not in the public interest would be wrong. It very much is so. I would say that its economic effect is felt in Rocky. It is felt in Sundre, Eckville, Benalto, Bluffton, Hoadley. I represent 37 communities, counting the unincorporated summer villages, and each one on its own merits thinks it's as large as the next one, regardless of whether it's incorporated or not. All of their issues are just as important as the next community's, and rightfully so. This development of our resource, the oil sands, is just as important to each one of those communities.

On this issue of dealing with our resource, giving the regulator the ability to consider the social and economic effects of the project, as broad a term as that is, has practical applications in our society. That's why it's so important that I convince all members to support this amendment.

An Hon. Member: That's going to happen.

Mr. Anglin: Well, you know, if it happened, we'd probably go home, but that's beside the point.

I'm willing to do what it takes to try to convince you. It has all the merits of being a very good amendment, where we could find some common ground, and we could use some common ground, actually.

What we've not talked about and I do want to now start speaking about are the effects on the environment because that's another part of this amendment. What a lot of this is about, the underlying premise of this whole issue, the amendment, the

concept of the development of each one of these projects, is the environment. We would not be engaging in carbon capture whatsoever if there was not that underlying concern of: what is going on with the environment? There are a number of aspects to this. In the context of global warming and climate change it is the increased levels of CO_2. That's why we're engaging in carbon capture. In the context on a local level of pushing CO_2 underground, there is a natural fear. There's a natural fear among property owners that it won't work, and I'm not so sure science can cure that.

I think the only thing that can cure that is time. In the end science will play a major role, but over time the confidence and the trust of a property owner will only evolve once we have systems in place that show that it is working and that it is not causing problems.

Where the fear comes in, it's more the fear of the unknown than the fear of so-called rumours. I think it's a natural fear for a lot of people. They don't have the trust-me attitude towards government, unfortunately. We would like to think they do, but they don't. So here we have government involved and government proposing it, but what we really know is that it is private industry that's doing it.

What people want is to make sure, first and foremost, that the environment is protected. Each energy project in its own right poses certain risks. When you're dealing with carbon capture, it isn't just about pumping it underground and the risk of it bubbling out. You now have pipelines that are considered, and I tell you that there are certain risks with pipelines. First Nations, I just discovered, aren't particularly fans of pipelines because they basically open up areas that affect wildlife. It provides grazing areas for deer, which they feel impacts elk and moose populations. They're very interesting arguments.

So when you're dealing with this and you're looking at the public interest test and you're applying that to the protection of the environment, I will say first-hand that I don't know of anybody that knows the environment better in my riding than the First Nations people that live there and have lived there for, I guess, thousands of years. They still hunt and they still trap on their traditional lands, and they probably know more about the wildlife and the wildlife habitat and habits than our own SRD people. They are an extremely valuable source of information when you're dealing with this issue.

That concept of social and economic: it's not just about the farmer. It's not just about the communities of Rimbey or Sundre. It is also about our First Nation communities that live out there. Their attitude and their understanding are quite a bit different from the residents of Rimbey, the residents of Sundre, and that has to be respected. No one is saying that we're going to disrespect that, but what's happening here is that we get to take that into consideration when we're dealing with the social and economic effects of a project, particularly on the environment. That's what this amendment puts into legislation, and it makes a requirement of this regulator. It expands the vision of what's going on with the development. [interjections] I'm fine. They can gaggle all they want. I'm good. I'm not listening. I'm just talking to you.

This concept is extremely important not just for the particular project but for the mandate of the regulator to apply the law to consider every aspect of these projects, particularly the carbon capture, as it says here, "in respect of a proposed energy resource project or carbon capture and storage project." So you've got three elements to the amendment, not just one. When you look at the energy resource project, that takes into consideration electricity generation. That takes into consideration the coal extraction, just for the purpose of extracting coal, or any other resource that we would extract and sell to the market. That's only logical. That only makes sense.

Each one, of course, Mr. Chair, will have a different impact or a different effect. How else are we going to gauge the impact of all this unless we take a step back and a broader look at the economic impact? It isn't just about the wages. It is about the quality of life of Albertans. I would argue that that quality of life is impacted by the quality of the environment, a lower environmental footprint, and the science that helps us lower our environmental footprint when we consider the development of these projects. So this amendment opens up for the regulator a broad ability to actually take into consideration all of the various aspects that affect Albertans. It is something that we cannot take lightly. It is something that we must take seriously. It is an important part of what I think this regulator should do.

2:20

There are a number of examples I can bring forward. I'd like to use this example because it is significant. I used it in the example of notification, but it actually applies here also. In the community of Tomahawk there was a gas development project right next to an elementary school. This is a very tiny rural community. Like all small rural communities, kids are bused great distances to come into the community from off the farm to the local school. Well, there was a local sour gas well very close to the school. I think it was actually three sour gas wells that were proposed, but it was the one that was the problem, not the other two. The one that was a problem: it was so close to the school that parents were afraid. They didn't like the idea of sour gas and children mixing because they don't mix very well. There was a lot of consternation. There were a tremendous amount of problems. That situation could now pop up again, and this regulator would be faced with that problem.

So how did they handle it? That one is really about the social effect of a project more than, necessarily, the economic, and it's still a balance. The parents of those children had no right to standing for that project. [Mr. Anglin's speaking time expired]

I'll be back.

The Chair: Thank you, hon. member.

I recognize the Member for Lacombe-Ponoka.

Mr. Fox: Thank you, Mr. Chair. Again, what a pleasure it is to stand up and speak to the amendment on Bill 2, the Responsible Energy Development Act, the amendment put forward by my wonderful colleague from Strathmore-Brooks. What a wonderful opportunity it is to be discussing this and being here in this democracy and exercising it at 2:40 in the morning.

I feel that we're on this amendment, and there still isn't consensus. It doesn't sound like there are many people that want to vote for this on that side of the aisle. You know, we're going to stand here, and we're going to convince you of this. I'm happy to be up here to do this.

What is this amendment on? This amendment is on the consideration of public interest, social and economic effects as well as the environment in the mandate of the regulator. What are we talking about with this? We're talking about statements of principle. Statements of principle are important, like the statement of principle that we bring the public interest into this. Now, why do we have statements of principle, and where do we have them? We have them in all pieces of legislation. We have them in our Constitution. We see it down in the neighbour to the south and their Constitution and in their state constitutions. Why do they have these statements of principle? Because they need to talk about things like public interest. We need to make sure that the

public interest is being considered. A statement of principle is a perfect place to remind those that are going to exercise this act, our regulators, that this is a principle that is important to Albertans.

Now, if we don't state this, it will be forgotten about. I don't know how often it happened to the other members here, but, you know, when I was in school, if I wasn't constantly reminded of things by my parents, like to do your homework, I just kind of sat over there and never did it. Well, here's our reminder. Every time we open this act, there is that reminder to consider the public interest. When are we going to consider the public interest?

An Hon. Member: Every day, apparently.

Mr. Fox: Well, every day, yes. That's because we're going to pass this amendment to remind the regulators that they need to consider the public interest.

> Where by any enactment the Regulator is charged with the conduct of a hearing, inquiry or other investigation in respect of a proposed energy resource project or carbon capture and storage project, it shall, in addition to any other matters it may or must consider in conducting the hearing, inquiry or investigation, give consideration to whether the project is in the public interest.

Again, we're talking about the public interest. Why? Because we need to remind the regulators that when they're dealing with these issues, the issues around conducting the hearing, inquiry, or investigation on matters like carbon sequestration, the public interest is to be given its just prudence.

Now, it's all well and good to say that this proposed legislation supports a balance between industry and landowners. However, we still need to give recognition to the public interest, to those that are affected throughout the province. We want to make sure that society is served by this piece of legislation. Now, the purpose of the new regulator is to move us forward, not backwards. Let's move forward with this. Let's pass this amendment. Let's make sure the public interest has a place in this new act, like it did in the ones that it's replacing.

It's really no secret that there have been times when the government has failed to act in the public interest, you know, especially for landowners. We saw it with Bill 19. We saw it in Bill 24, Bill 36, and Bill 50. I mean, they trampled on property rights, landowner rights. Let's recognize, again, the public interest, people who are citizens, the citizens of Alberta, you and me, who want to make sure that they're heard.

Let's remind the regulators that when they go out and enforce this act, they need to listen to all Albertans, not just to those that they think are directly affected but those that may be subsequently affected, like when the Member for Rimbey-Rocky Mountain House-Sundre was speaking about the citizens in Taber and the questions and concerns they had about the project that was going to be put next to that school. I mean, these are things we need to think about every day. We can't just forget because we're not reminded or our regulators are not reminded of having to keep the public interest in mind. I feel that this is important. I feel that this amendment is important. Stakeholders even have told us that this is a factor in making the new regulator function properly.

We need to make sure that this bill works and works properly and that we don't have to revisit it again in six months. I want to make sure that when we put this forward, when this Legislature puts this forward and puts it out there – and we have to abide by it – we don't have to come back and change it in six months. We want to keep a stable business climate in this province, and by having to constantly go back and amend pieces of legislation that we've just talked about, I mean, we're just up and down and up and down. It's not really a stable climate for business. We don't know what to expect, businesses don't know what to expect, and we want to make sure that we have a nice level of investment in this province and that they know that the regulations are level and that they're not going to be changed every six months because we can't get a bill right the first time it comes in front of the Legislature.

I think that it would be a great thing if this Legislature would come together and recognize that public interest needs to be a part of Bill 2, like it was for the preceding regulators, that have existed before the enactment of this bill. When we enact this bill, let's make sure that Albertans are heard, that the public interest is heard and acknowledged, and that our regulators are reminded of it every day. I mean, like I said earlier, this is a statement of principle, and it's an important statement of principle.

Now, I don't know what else I need to say to convince you. I don't know if there's anything else that I can say to convince you, but I'm going to keep going until you're convinced or until we run out of time here, and then I'm sure one of my colleagues would be happy to stand up and continue where I've left off.

As I was saying earlier, the purpose of this and the intent of this is to move us forward, not backwards, so let's move forward with this. Let's move forward with this amendment. Let's pass this amendment and put in legislation the public interest once again.

Thank you so much for your time. I'd like to thank the chair and the members around the centre desk and the lawyers for all the work that they've done on this tonight and for bearing with us as we try and convince you that the amendments that are being put forward, specifically this amendment, the public interest amendment that my friend from Strathmore-Brooks put forward, should be passed here today. Well, I guess it would be passed here early this morning. I keep referring to it as tonight because it doesn't feel like it's morning. It still feels like 7 p.m. It still feels like I've got three hours left before I even want to think about going home to bed.

2:30

Again, this is a great amendment. It's a common-sense amendment, and it's one that I think is simple and that Albertans would like us to pass here in this Legislature. I implore you, I ask you: please stand with us. Please pass this amendment so that our public interest is always considered when we're dealing with matters about proposed energy resource projects, carbon capture, and other storage projects as well as other energy projects that are put forward in the province.

Thank you so much for your time here this morning.

The Chair: The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you very much, Mr. Chair. A poor blind squirrel can't find a nut tonight, but we're going to keep on looking. This amendment is a good amendment because of the broad powers it gives the new regulator. It's important that the regulator have these broad powers. This is the public interest, that has been missed so far in all the amendments that we have been speaking about. The public interest is important. It's not public interest in the sense of infringing upon property rights. That's a debate we've already had. It's a public interest test on the economic and social effects of the project for the public at large. This is paramount to our income as a province. It is where we budget and build our hospitals and build our schools. This is what we use to improve and grow our economy.

This whole idea of not having the public interest is something where if it's lacking in this legislation, then we're missing an

opportunity to look at a bigger and larger picture. I want to use an example of a situation west of Rimbey where we have a lot of landowners who participate in the oil patch in the sense that they not only work in it, but they welcome the development of oil and gas and pipelines across their property. They participate in this process. But what happens when something goes wrong? We're talking about not just the social but economic effects of a project. In this case what we had go wrong was a situation where on a pipeline that was proposed and constructed, the general contractor did not pay his subcontractor. Multiple property owners along that pipeline, whose value in land was roughly . . .

An Hon. Member: Relevance.

Mr. Anglin: That's the economic relevance. It's both social and economic, and I will get to the environment.

What happened to these people was that they ended up with a $6.2 million, $6.4 million lien on a quarter section that was only worth $400,000. The impact of that project on these people significantly affected their lives. We're not talking about just one or two people. We're talking about a dozen or more farmers who were directly and adversely impacted not on the development of the project, not on the application of the project but on the result of a contractor not meeting his requirements and the impact that caused on these citizens, and that's relevant.

What happened was that one person lost a deposit of roughly $30,000 that was going to be used for the purchase of the land. With a $6.4 million lien on a piece of property worth only $400,000, you can imagine that that land deal fell through. Another farmer was hurt because he used his property as leverage to buy his fertilizer. Well, what happened was that he was no longer allowed to leverage that land with a $6.2 million, $6.4 million lien on that.

Under this new bill there is no mechanism for the regulator to consider that wide economic effect. This was devastating for these farmers in the sense that particularly there were a couple of farmers who didn't understand the process, and they were just freaked out – that is the only way I probably could describe it – in the sense that they thought they were going to lose everything and then a whole lot more, and they suffered tremendously from that emotionally. This is what we talk about when we talk about the social effects. That was an emotional effect on many of these people.

When we look at a regulator going to these projects or reviewing these projects and taking the application, what this amendment allows is for the regulator to take a broader look beyond just the narrow scope of: this is where this development and the extraction are going to go, what it's going to do to the surrounding lands, the surrounding communities, the surrounding people, who initially were not going to be affected by it but ended up adversely affected by it. Giving the jurisdiction to the regulator to not only look at that but to regulate it and to deal with the issue is important. It's important not just to the landowner; it's important to the development of our resources. It's important to the streamlining process of getting things done efficiently without having to go to court, without holding up projects. In this case here the only thing that needed to happen was that those landowners needed to be made whole. That's it. Now, that didn't happen because that can't happen under the existing law. They suffered for no good reason because they wanted to participate in the development of our resources. That's unfair.

This amendment can change that. This amendment can bring this back into context and allow this regulator, who now has very broad powers anyway – when they by legislation have to have consideration for the social and economic effects of a project, they can step outside that narrow boundary that is currently in the bill and actually deal with problems outside that narrow scope. That's why it's so important.

It also goes to issues of water, which is a huge issue for the environment. There are a lot of projects dealing right now with water injection for the extraction of our resources. There's competition for our water. West of Rimbey we had a situation where one developer wanted to use as much water in one day as the town of Rimbey used in a month. That was significant, and that had the community upset. All the water was coming out of the same aquifer. As anyone knows, aquifers basically have to regenerate themselves. If the aquifer is not regenerating, then you have to take into consideration: what happens here? How do we deal with it? How do we manage it? That's going to impact the development of our resource.

It is important that we give confidence not just to Albertans but to our neighbours here and internationally. As the hon. member said, we pay a price internationally to play. It isn't just about CO_2 and the capture of CO_2. It is also about dealing with our environment and setting a good example and going beyond that and actually doing something constructive, lowering our environmental footprint. With a regulator that's tasked with that responsibility, which this amendment does, we can take a look at the science that helps us reduce our environmental footprint. We can make decisions that allow us to optimize how we're going to develop the resource so that we not just protect Albertans but also protect some of our industries.

2:40

One of those industries is tourism, and it is significant. It is the second-largest industry in my riding, and I think it is either the second or largest industry that we deal with in Alberta. We draw a lot of international tourists, and there are people who make an income and a livelihood, and it's significant. Mr. Chair, as I focus now on the effects on the environment, in my riding we could easily have as many as 60,000 people head out to the foothills west of Rocky on any given holiday weekend, and that is huge. That is a huge industry and a huge income for all those tourism operators out there, whether they're running lodges or outback excursions. We have helicopter companies out there giving tours of the icefields, and we have buses upon buses with those really, really nice German tourists that come over to spend their money.

An Hon. Member: Because we met them in London at the Olympics.

Mr. Anglin: They stayed in all those empty hotel rooms.

All humour aside, Mr. Chair, it is a huge industry, and any effect on the environment affects that industry. With the development of our oil resources or our natural resources – this amendment talks about "proposed energy resource project" – we have a huge forestry industry that works out on the west side of my riding. For those who don't understand, my riding goes from east of Gull Lake all the way to the B.C. line. It is a two-and-a-half-hour journey to get from one side to the other. There are people that live out there, and it's huge on any given day in the winter with the snowmobiling and the quading, and it has a huge population in the summertime dealing with the issue of horseback riding, quading, hiking, canoeing, and all the outdoor activities that take place.

There's that balance. That's the balance of the social and economic benefits, the social and economic effects of a project. We still want to develop these projects, but we want the regulator

to be able to balance the effects, to maximize not just the resource but to maximize how these other industries can flourish out west, where I'm at, and, of course, everywhere else in Alberta where development crosses with other industries or in relations with other industries.

Going back to carbon capture, what happens now is that we develop carbon capture to the degree that industry needs it to rise to. It has to do it without the advantage of actual CO_2 reduction. What we're looking at is significant development of this CO_2 or carbon capture and where we're going to store that, how we're going to store that, how's it's going to affect those communities, and the social and economic impact on those communities. Without the broad authority to evaluate that, to create an inquiry as to the various impacts – how it's going to spread, what it will do to the environment – if the decision is made absent of this, in my mind, we would be creating an injustice on the public at large, which, in dealing with the public interest, would be just a miscarriage of justice. So in creating that mandate, we're back to the public interest. It is important. It is not about stepping on property rights, but it's about also protecting property rights of multiple property owners in the community, in the area, in the jurisdiction where this project is going to be developed. I will tell you that this is not a minor subject. This is not something that is obtuse. This is serious in the overall impact of our economic activity, to be able to look at not just the social benefits but the economic benefits and the effects on both that any project will bring.

Now, on the issue of the environment should we have any type of seepage or leakage of CO_2, whether it be by a pipeline accident, whether it be by an injection that failed – I'm not talking about the earth itself; I'm talking about the equipment that's actually there. How much CO_2 is released, and what effect would that have? I don't have a clue, but I would want the regulator to be looking at that very scenario to make sure that we do things right.

I'll give you an example of how that changes. We pipe oil and gas today. We have a regulator today that has investigated an oil leak in the Red Deer River. As a direct result, I know that from the Energy side we're going to do an investigation. But what's changing now is quite interesting. We have pipeline companies who are piping the oil, Plains Midstream being one, who are doing things differently. They're not mandated yet, but they don't want these accidents. This is a public interest area now. This is not about just the private owner. So they're doing things completely differently. They're drilling down deeper. They're using what I would call double-hulled – I think double pipe is what they're referring to. They have the technology today that they were not utilizing, that they were not applying prior to the accident. So it's more of a horse-out-of-the-barn routine. What they're doing is voluntarily using the new technology, and other industry members have now adopted that.

What has not happened is for a regulator to come in and say: "You know what? That technology that you are moving to sets the bar a little bit higher than what we were utilizing earlier." Mandating that, giving the regulator the power to mandate that and impose that would be done under this amendment. We're dealing with section B, where they would take into consideration the social and economic effects plus the effects on the environment. That would give them the authority to actually make those changes, to set another higher bar, another standard that industry could meet.

I will tell you this. The projects of reputable members of our industries that actually raise that bar do us a justice. I'm not a big believer in self-regulation only for the reasons of those that would cheat, but on the issue of having a regulator have those broad authorities, that regulator can act universally to raise the bar on the level of standards and how we would act in practice on the development of our oil and gas industry.

With that, I'd be interested to hear what some of my fellow members might say about the public interest test with its particular effect on the environment. Thank you, Mr. Chair.

The Chair: Thank you, hon. member.

The hon. Member for Strathmore-Brooks.

2:50

Mr. Hale: Thank you, Mr. Chair.

The Chair: On amendment A19.

Mr. Hale: Yeah. You bet. I just want to touch a little bit more on the public interest.

I received an article written by Shaun Fluker, I think his name is, at the University of Calgary. He's a lawyer, I believe, or involved in the law department there. He touches on the public interest, and I'll read what he wrote here. The title is Bill 2, Responsible Energy Development Act: Setting the Stage for the Next 50 years of Effective and Efficient Energy Resource Regulation and Development in Alberta. A section of it says:

> The bill removes the much maligned "public interest" test from energy project decision-making. (Currently, section 3 of the ERCA requires the ERCB to make project decisions in the public interest, having regard to the economic, social and environmental effects of the decision). So persons who conduct hearings on energy project applications or who review energy project decisions that directly and adversely affect rights of a person may be obligated to implement the will of Cabinet or the Minister, should either of them choose to direct the Regulator on what factors to consider or otherwise how to decide a particular hearing. And there is nothing in the proposed legislation to require this to be in the public interest. It is conceivable on the face of this proposed legislation for the Minister to favour one person's legal rights over another, and direct hearing commissioners to adhere to these politics in deciding an energy project application or a project review. The well-informed person, viewing the matter realistically and practically, can only conclude there is no independent hearing process at the proposed Alberta Energy Regulator.

Now, that has a lot to do with subsection (3) of my amendment, talking about the regulator conducting hearings, inquiries, or other investigations in respect of a proposed energy resource project, mentioning carbon capture and storage again,

> in addition to any other matters it may or must consider in conducting the hearing, inquiry or investigation, [and] give consideration to whether the project is in the public interest, [and regarding] the social and economic effects of the project.

I don't know this gentleman. He's not writing this for me. He's just making a statement after he reviewed this bill. We have some lawyers in our caucus and there are some lawyers in their caucus who I think are pretty intelligent individuals. This gentleman: I have no idea what his political views are. I don't know if he belongs to any party for that matter, but he's taken a look at this from up above, not as a member of the government or as a member of the opposition and trying to say: "Well, you know, we're trying to make a point on public interest, and they're trying to make a point against public interest." He's looking at it as an Albertan, someone that can look at the bigger picture and say: "You know what? There are a lot of issues regarding the hearings, inquiries, and investigations in proposing new projects that will affect the public, and there need to be issues resolved in dealing with the public." There are some sections from a letter from the Environmental Law Centre also.

Like I mentioned before, putting the public interest in doesn't take away from property rights. I think it actually enhances the property rights of the individuals, not necessarily just landowners. You know, when we talk about property rights, we talk about the rights of every individual to own private property. There are issues that will affect towns, cities, villages, communities. You know, there are many small acreages around, and in today's world there are many people who don't want to live in town. They live close together. In my area there are a lot of landowners who don't own large tracts of land. You know, they're small landowners. I myself am a small landowner. I mean, I have friends that have 10,000 acres, and I have friends that have a quarter section. There are many, many houses – if you took a 10-mile radius, there might be 15 houses there.

So in regard to carbon capture and storage – I'm getting to that – this is in the public interest. As you've heard, there are some good explanations about carbon capture and storage. There are areas where it's going to work, areas where it's not going to work. As long as the people making the decisions about where these areas are going to be . . . [interjections] They're having a good time over there.

The Chair: Hon. members, could we keep the side conversations down, please. Thank you. The Member for Strathmore-Brooks has the floor.

Carry on, hon. member.

Mr. Hale: I was just talking about, you know, the conglomeration of houses in a certain area and about carbon capture and storage. I hope there are no issues with it. I hope that they can continue to make advances in technology.

You know, that's what this bill is partly designed to do. The more economically efficient, the more environmentally friendly our natural resources can be extracted from the land, the better. We're going to have to figure out ways to compete in the global market. Obviously, the decision was made for carbon capture to help that.

I had the opportunity of meeting with ICO_2N, a group of companies that deal in carbon capture and storage, and they had some very good examples of how they're using CO_2 in the development of cement, concrete. I never imagined that they could use that for concrete. You know, there are other things that we can do besides pumping it into the ground. I think that with technology increasing and the intelligence of people around the world, they are going to find other ways to use the carbon that we're producing.

In the public interest many of these oil companies now are reducing their carbon footprint by technological advances. They're doing procedures when they're drilling wells. We have way more fuel-efficient engines on the rigs that are drilling these holes. You know, the way things are going is that it's in the best interests of these companies to reduce their carbon footprint because it takes a lot of energy to produce carbon. So they're going to keep their costs down if they can produce less carbon. That means they're running their equipment more efficiently.

You know, I do respect the carbon capture and storage initiative. Personally, I don't believe that the Alberta taxpayers should be putting upwards of $2 billion into the project. We should be encouraging these companies to do their due diligence in reducing their carbon footprint for the good of the public interest, for the good of mankind so that we don't have to enforce carbon taxes on them and make them do carbon capture and storage. I think that if we keep working with industry, ensuring that they are continuing to improve their technology, work with them to try to get it to be common practice that in everything we do we need to reduce the carbon footprint, it will be in the best public interest.

Thank you.

3:00

The Chair: The hon. Member for Airdrie.

Mr. Anderson: Thank you, Mr. Chair. For those of you following at home, you may have lost track a little bit about this amendment if you've just tuned in. I think it's important to give the context around the specific amendment so that there's full understanding. Of course, part of this amendment, a key part of it, is section 2. It says that section 2 is amended by adding the following after subsection (2). Subsection (2) currently says:

> (2) The mandate of the Regulator is to be carried out through the exercise of its powers, duties and functions under energy resource enactments and, pursuant to this Act and the regulations, under specified enactments, including, without limitation, the following powers, duties and functions:
>
> (a) to consider and decide applications and other matters under energy resource enactments in respect of pipelines, wells, processing plants, mines and other facilities and operations for the recovery and processing of energy resources;
>
> (b) to consider and decide applications and other matters under the Public Lands Act for the use of land in respect of energy resource activities, including approving energy resource activities on public land;
>
> (c) to consider and decide applications and other matters under the Environmental Protection and Enhancement Act in respect of energy resource activities;
>
> (d) to consider and decide applications and other matters under the Water Act in respect of energy resource activities;
>
> (e) to consider and decide applications and other matters under Part 8 of the Mines and Minerals Act in respect of the exploration for energy resources;
>
> (f) to monitor and enforce safe and efficient practices in the exploration for and the recovery, storing, processing and transporting of energy resources;
>
> (g) to oversee the abandonment and closure of pipelines, wells, processing plants, mines and other facilities and operations in respect of energy resource activities at the end of their life cycle in accordance with energy resource enactments;
>
> (h) to regulate the remediation and reclamation of pipelines, wells, processing plants, mines and other facilities and operations in respect of energy resource activities in accordance with the Environmental Protection and Enhancement Act;
>
> (i) to monitor energy resource activity site conditions and the effects of energy resource activities on the environment;
>
> (j) to monitor and enforce compliance with energy resource enactments and specified enactments in respect of energy resource activities.

So that's subsection (2).

Then in subsection (3) what we're saying is to add:

> (3) Where by any enactment the Regulator is charged with the conduct of a hearing, inquiry or other investigation in respect of a proposed energy resource project or carbon capture and storage project, it shall, in addition to any other matters it may or must consider in conducting the hearing, inquiry or investigation, give consideration to whether the project is in the public interest, having regard to the social and economic effects of the project and the effects of the project on the environment.

That's where that section slides in.

It is helpful when we're examining why we're here – you know, we're not the only folks that are worried about this bill. There are many others. For example, there's a University of Calgary assistant law professor, Mr. Shaun Fluker. He said that the retraction of landowner rights in Bill 2 is, quote: a colossal gaffe by the Alberta government and a substantial gift to political opponents of the governing Tories. Unquote. He said: I think it is a colossal gaffe because the government doesn't need to be stoking any fires by stripping away these rights. He said, quote: It just seems to me they are going to anger a bunch of people that they really don't need to. If you are the leader of the Wildrose, you must be licking your chops on this. Unquote. Well, I don't know about that. We're kind of sad about it, but I can see his point.

Fluker then said: it really doesn't help the landowner to be given notice of an energy development on their land because nothing appears to propel a public hearing until after the licence has been issued.

The Chair: On the amendment, hon. member.

Mr. Anderson: Right. This goes to the amendment right here, quote: it will only happen after the shovels hit the ground. For example, shovels hitting the ground on a carbon capture and storage project. It's key.

Fluker said that there's nothing in the bill to ensure there's funding available to help landowners fight projects like carbon capture and storage – he didn't say that; I put that carbon capture and storage in there – and that it is unlikely the regulator will reverse decisions it has made when it hears its own appeals. Then he finishes off: the bill eliminates appeals to the Environmental Appeals Board and provides only narrow avenues of recourse to the court.

Now, let's remember that this individual is an absolute expert in this field. He's a property rights expert. He hasn't been travelling around the province or anything like that – he's at the University of Calgary – but he and many other professors have said, have pointed out that there are just so many flaws in this bill that, frankly, it will be a colossal disaster if it's passed.

What's so frustrating about it, Mr. Chair, is that it's just so unnecessary. There's no point to passing a piece of legislation that clearly – clearly – is not in the best interests of Albertans, clearly takes away specific landowner rights, does not adequately put them back or give them back or compensate landowners for them, and takes away that appeal to the Environmental Appeals Board. When you think about these carbon capture and storage projects, you know, one of the things we have talked about is that we've never done this on such a large scale before, and because we haven't done it on such a large scale before, there are going to be all kinds of different environmental impacts that are possible. If that's the case, then it's unfortunate for our carbon capture and storage project. It's unfortunate that we've taken away the right of a landowner to appeal to the Environmental Appeals Board regarding a project like carbon capture and storage.

I think that what Professor Fluker has said here is that it is a colossal gaffe because the government doesn't need to be stoking any fires by stripping away these rights. And it's so true. It's just not necessary. There's no point to it. All it does is anger landowners. All it does is create a feeling and a reality, frankly, that the rights of the landowners are being put at the bottom of the totem pole, and everyone else's rights are ahead of theirs in this process. I think that that's why you see, again, such a strong push to hoist this bill and to send this bill back to the drawing board so that we can get it right. I think that's really important. [interjections]

The Chair: Hon. members, please, if we could keep the . . .

Mr. Anderson: That's okay.

An Hon. Member: They're having fun.

Mr. Anderson: They're having fun.

The Chair: Go ahead, hon. member.

Mr. Anderson: I appreciate that. They're having fun. I don't begrudge them talking about it.

You know, one of the things that I think we need to remember in this – and maybe we should review a little bit about what exactly carbon capture and storage is and what some of the risks involved in that are. I think that we do need further discussion on this because I think that it's pretty clear to me that the members opposite don't understand that there are severe social and economic effects of these projects when they are being contemplated. The section:

> Where by any enactment the Regulator is charged with the conduct of a hearing, inquiry or other investigation in respect of a proposed energy resource project or carbon capture and storage project, it shall, in addition to any other matters it may or must consider in conducting the hearing, inquiry or investigation, give consideration to whether the project is in the public interest.

Again, we've talked about public interest over and over and over again, but I think that it's important that we really hash that out as much as possible and make sure that we take into regard the social and economic effects of the project and its effects on the environment and so forth.

Just a few thoughts for the 3 a.m. crowd at home listening intently to proceedings here. Thank you, Mr. Chair.

3:10

The Chair: Thank you, hon. member.

Are there others that wish to speak? The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair. I rise to speak to this amendment again. There are a number of issues dealing with the public interest and this broad aspect of having a regulator that can take this under consideration. There's a situation right now brewing in Rocky View on an individual property owner's land where there's something pretty funky going on. Nobody understands exactly what's causing the land to swell up sort of like a minivolcano – that's what I can call it – but it is the impact of a resource development project that has caused this.

What happens is that when the regulator takes a look at the permitting process of an application, it does need to take a look at that broader aspect of: how is this going to work in relationship with other development? I want to bring up the issue of fracking, which has been both extremely productive and problematic in some areas. It is still . . .

An Hon. Member: Fracking? Is that A or B?

Mr. Anglin: It is still an energy project, my fellow member. It is just called fracking, and it is an energy project. I'm sure it's an energy project. It would be found under section B where it talks about "a proposed energy resource project or carbon capture and storage project." It has three phases to this: carbon capture, storage, and an energy development project. How do they all work in conjunction with each other? That's where this example is going.

When you're dealing with issues of fracking, the impact of that type of process can be small in scale or extremely large in scale, and how is that going to impact if it conflicts with the process of dealing with carbon capture? Well, one is shallow most definitely, and the storage of carbon capture is expected to be deep, but if one development interferes with the other – and we have that with fracking now. We have an issue where fracking has breached other well bores because the fracking generally goes horizontally. And we do have well bores that are interspersed. Some are known. Some are unknown. Some are abandoned, and those are the ones that probably cause more problems than others. That's exactly why in the public interest, Mr. Chair, that regulator should be looking at this because they're going to give an approval to a resource project, and you cannot ignore what has transpired or taken place prior to that.

As I mentioned earlier, that's exactly what happened in Innisfail. That was an isolated project doing a frack, and about one mile away we had an eruption. That was an accident. It was a preventable accident, of course. It's just that they were not following the proper protocols. But a regulator that has that broad power to consider how this is going to impact others has the ability to possibly prevent some of that because had they looked at the surrounding area, what they would have found were a number of bores that were much closer than anyone knew.

Now, in this example with an energy regulator that has that ability to look after the public interest and consider a wider, broader scheme of things on how this is going to interact, then that type of information could make it to the regulator. That type of evidence could make it so this could be considered, and the whole process, then, would be more efficient on an environmental scale and more efficient for this particular developer. This particular developer suffered greatly financially as a direct result of the accident. Now, some people would say rightfully so. Other people were not so harsh in their words. But it doesn't matter. The accident happened.

If we can prevent environmental accidents because we empower the regulator to take this under consideration, then everybody wins, and that's extremely important. I mean, what better aspect could we have by taking this amendment, putting it into legislation, and creating a win-win opportunity for not just the company that's developing the resource but also for the local property owner who has the development on their property and for the environment and for the greater community?

That would create a situation that I would hope the hon. members would want to be consistent throughout the process, which would in turn be the whole reason why we are creating a single regulator with the responsibility to try to streamline the process. In streamlining the process, having that ability to take into consideration the public interest not just on the social or economic effects but on the effects of the environment, that is one of the biggest selling cards we have as a province.

As I spoke to earlier, we have a huge tourism industry that is highly dependent upon our maintenance and our protection of the environment. As most Albertans do, I also go out to the west country and enjoy it. You can see why it has a large attraction for tourists. Why would we not want the regulator to consider that? Almost all of that is SRD land. That belongs to this government. It belongs to the people of Alberta. It is this government that is tasked with the responsibility for the protection of that land. It's for the enjoyment of everybody. We develop on that land.

On the issue of carbon capture I'm not exactly sure. I know I've heard different theories on where they would want to do this, where they would want to incorporate it on a large scale in Alberta, but nobody has come up with a definitive plan on exactly where and how they're going to do it. The central southeast was actually looked at at one time, but I know there are other formations that industry has looked at and thought were more applicable. Wherever they decide on, it has the potential to have a huge impact on that local environment. It goes beyond the actual carbon capture process. It is also about the building of the pipeline, the industrial development that takes place, however large, however small. In my area that could potentially cross First Nations lands, which now opens up another entire can of worms. But it doesn't change anything. We still have to deal with it.

Looking at this amendment, to empower the regulator in the conduct of a hearing to both inquire and investigate these proposed projects, based on the social and economic effects of a project or the effects on the environment, is, in my mind, paramount to the quality of life of these communities. It is paramount to the economic sustainability of many of these communities. That's one of the balances that I think sometimes gets missed in this discussion more than outside this honourable Chamber.

All the communities that I represent are pretty much oil and gas communities along with being agricultural communities. Without a doubt, I have a lot of farmers in my area, but most every one of them has one sort of relationship or another. If it's not direct employment, they may actually own a company where they service the oil and gas industry, or in one form or another they are participating in the development of oil and gas. So they have a vested interest as a public in this development, and they prosper as a direct result. What we're proposing here is that the regulator undertake on behalf of that public this jurisdiction to protect both the social and environmental effects by having to actually take that into consideration. That is balanced with the economic effects of how this all meshes together. It's no easy task when you actually think about it in those broad strokes.

3:20

There are, again, examples upon examples of how this would be effected or put into place in various communities and in various areas because of the changes in what takes place not just environmentally but what type of energy development occurs in those regions. In dealing with the issue of carbon capture and pipelines, where those pipelines will be located has a significant impact if you are dealing with situations where you have heard about management things like the elk and the caribou and how they're going to actually deal with this pipeline, whether it's going to be above ground, underground, or what type of pumping stations in particular and how those pumping stations, or pressurized stations, whatever you want to call them, are going to be energized.

These are no small projects. These are huge investments. It has a tremendous impact on the public welfare in the sense of the public economic effect, but it also has a greater value to industry, which is the public perception beyond our borders, our customers, who want to see that we're doing things right, who want to have that same sense of security about the environment that Albertans want to have. The public interest test takes into consideration, when they are empowered with this amendment, to look at these projects, and as the hon. member said earlier, it is the price we pay to play in this game. We do have to show our customers that we are going to do something constructive to deal with the issue of CO_2.

The choice has been made right now that we are going to capture and store CO_2, which is fine for the time being, but in the end, if we deal with that also in tandem with the reduction of CO_2 emissions, we are that much further ahead of the game, and our

industry prospers, our economy prospers, the individuals that participate in that economy prosper, and that's all part of the social effects of a project.

Again, getting into the very broad strokes of why this amendment is not just sufficient but essential to the effective application of a single regulator, it empowers that regulator to step outside what is a very narrow constraint at this moment to a broader constraint of the public interest, to look at these projects and consider these projects not just in the public interest and not just for the social and economic effects but also based on what's going to happen in the environment.

As some members in this House may be aware, we have significant issues in our environment. The icefield is still receding. We have an issue dealing with the pine beetle, that has still significant effects and has not yet abated though some successes have been made. The fact is that the pine beetle is still spreading and will impact our entire forestry industry, and I will tell you that our forestry is actually quite concerned. These developments that this regulator will consider in dealing with the environment: that's why they need to understand or have that power, that delegated authority to consider the environment or the effects on the environment.

There is a correlation between CO_2 and global warming. If there's not, then why are we doing it? It is important that our regulator be empowered to make good use of the authority that we give him via this amendment to make sure that what we do is not just economic but that it has that social benefit for the community at large, whether it be all of Alberta or just the surrounding communities, and, most importantly, to reduce the effects on our environment, to lower our environmental footprint.

By the way, the hon. member said: the price to play. It's a good quote, and the industry used it, too. It is a marketing tool for our industry. Our industry does a good job. There's no question about it. There are some pretty fantastic things that they are experimenting with. There are good things that they are actually doing, and the future looks bright in the way of technology development to make things even better. It's just a matter of how we're going to get there and how fast we can get there. That's really going to be a technological development as much as anything else, but having a regulator that is empowered to deal with the public interest, that is empowered to weigh in the effects on the environment, that, I say, will assist our industry in developing those new technologies to help them lower the footprint on our environment and to basically enhance not just our oil recovery but enhance our extraction of our resources so that we can get those to market.

Going back to the importance of having that regulator actually have that power or that jurisdiction, that they can take a look at a project and on their own volition look beyond the basic application and invite into the process a wider range of experts or a wider range of information so that they can make a better informed decision on a multitude of effects that this project could have could indeed change what we do and how we do it.

Now, I want to give an example because this came up the other day, and it was an interesting example. Should we approve small hydro projects on rivers?

An Hon. Member: That's irrelevant.

Mr. Anglin: That's totally relevant, and let me explain why. That's a good question. If you develop on a river like the Peace River a small hydro project, you will affect a very larger hydro project that was possibly planned. It is about layering or scaling the river in the sense of: how do you want to get the most efficient use out of that river flow that you possibly can? This was brought up to our committee the other day, and I hope to kind of explain it in these terms.

This would be a proposed energy resource project in the public interest. What was explained to this committee was that we need to think about the development of hydro in the long term and not the short term. Yes, you can develop small hydro projects, but if your goal is to maximize how you're going to get the most out of that river and if it is a larger hydro project that you're considering, those smaller projects will reduce the flow however much, and they will restrict it however much.

An Hon. Member: What's that got to do with section 2?

Mr. Anglin: It has everything to do, actually, with section B here on this amendment, where it talks about proposed energy resource projects. That would be an energy resource project. It just happens to be hydro. It has a real value in extraction of our bitumen up in Fort McMurray in the oil sands. All these projects are in many ways interlaced, and they are dovetailed. That's why this amendment is so important. You want that regulator to be able to step back and look at the larger picture of all the resource development and how it's going to mesh together because the ultimate goal is to maximize the energy for what our purpose is, which is to get this to market.

3:30

An Hon. Member: The bill doesn't apply to hydro.

Mr. Anglin: No, no, no. But if you take a look at this section B,

> (3) Where by any enactment the Regulator is charged with the conduct of a hearing,

what it talks about is

> in respect of a proposed energy resource project or carbon capture and storage project . . .

Did I just run out of time? I will explain that the next time I get up.

The Chair: Thank you, hon. member.

Mr. Dorward: Mr. Chair, I think I've seen the light . . .

The Chair: Relative to the amendment, hon. member, proceed please.

Mr. Dorward: Absolutely.

. . . because I live right next to the Strathcona refineries, and I'm sure there are some social and economic effects of the project there. They may even apply under this act for something someday. And if they did, I could be here in the middle of the night working away, and I just might phone my wife and say: "Hi, dear. I'm fine. I hope you are. I hope there's no danger there in Strathcona and Capilano." Then I'll sit down.

Back to you, Mr. Chair.

The Chair: Thank you, hon. member.

I'll recognize the Member for Strathmore-Brooks.

Mr. Hale: Thank you, Mr. Chair.

The Chair: Again, hon. member, if I can remind you to try hard as you might to stay with the intent of the amendment, please.

Mr. Hale: Sure. This is right in the wheelhouse.

I'd like to talk about, with regard to public interest, the pipeline integrity review that is going on. I had the pleasure of attending the press release that the hon. Energy minister held there a few

months ago albeit, after the media talked to me after his press release, I said: "Hmm. Nothing to disagree about. We agree that this pipeline integrity review needs to be done." And why does it need to be done? For the public interest, for the environment. It's something that affects the public.

We have thousands and thousands of kilometres of pipelines just in Alberta, and we need to review them so we don't have these mishaps and, you know, these pipeline breaks that none of the companies want. Nobody wants it. We don't want it. The environmentalists don't want it. We're doing this review in regard to public interest.

The people that live downstream of a pipeline break: they're hugely affected. The companies are hugely affected. They've got lots and lots of costs that they incur with the cleanups, you know, the fines. There are many, many opportunities for these breaks to happen. There are companies that really look after them. They have lots of testing that they do. There are regulations in place that require them to test their pipelines once a year if it's not sour gas. There's a bunch of different regulations that determine when they have to test them.

I think it's a very good idea to conduct this review to ensure that the regulations that are in place are proper, that they're being enforced properly, that the companies that are doing these pipeline inspections are doing them properly and are qualified companies. You know, it takes one little mishap to put a black mark on the whole industry, and that's something that nobody wants. I mean, we all agree – and everybody has stated it many times – on how important this energy industry is to Alberta, so anything that we can do to improve it and continue to improve it and continue our reputation around the world of being one of the best energy-producing provinces, let alone country, in the whole world.

You know, with respect to the pipelines and their integrity there's a county that's in my area – it's the Wheatland county – that's trying to work with the hon. Education minister and different groups to build an east Wheatland school. One of the issues they're having with the school is finding the proper placement of the school on the land, and the largest issue is the pipelines. They have to build this school on a corridor of land somewhere where there isn't a pipeline, so what they've done is that they've taken some sections that are available to them, and they go and have pipeline companies go and check where these pipelines are to ensure that they don't build a school over a pipeline. That's hugely in the public interest, you know, not to build a school overtop of the . . . [interjection] Well, it depends on if there's a pipeline break.

If there's a pipeline break and the school is overtop of the pipeline, what sort of issues can arise in that school? It's not safe. It's safety. It's public interest. I mean, I feel that my children are part of the public, and I'm pretty sure all of the members here feel that their children are part of the public. It's in our best interest and their best interest to have the safest environment possible, and that includes not putting a school overtop a pipeline or in the vicinity of a pipeline or any sort of other wells or any danger.

We have to continue to work with the industry and ensure that the pipelines that are being put in, the old ones that are put in – we have many, many old pipelines that are deteriorating, maybe from the way that they were put in 50, 60 years ago. I mean, pipelines are the safest, most economical, and reliable way to transport our product. This review will just enhance that and, hopefully, find some issues, and we can continue building on the public safety and the public interest with respect to pipelines.

Thank you.

The Chair: The hon. Member for Lacombe-Ponoka.

Mr. Fox: Thank you, Mr. Chair. It is once again a pleasure to rise and speak to Bill 2, the Responsible Energy Development Act. I rise once again to speak in favour of an amendment put forward by my good friend the Member for Strathmore-Brooks, an amendment to help save Bill 2, to make sure that Bill 2 is in the public interest.

Now, I was trying to save this, but it's just too good not to share. It's another quote. You know, I do get to read books every once in a while. I love to read, and it gives me great pleasure to read. This one is *Churchill in His Own Words,* by Richard M. Langworth. It speaks specifically about amendments and criticism. It goes like this. "Criticism may not be agreeable, but it is necessary. It fulfills the same function as pain in the human body. It calls attention to an unhealthy state of things."

Like I said, this is very relevant because we're talking about an amendment. We're talking about fixing something in a bill. There is an unhealthy state in this bill right now, and we want to get that fixed. To do that, we're prescribing these amendments, specifically this amendment, the public interest amendment, one that would place back into the bill a reference to the public interest that will be removed when this bill replaces relevant pieces of legislation that exist now. Difficult as it may be to ascertain given the expanded and consolidated powers of this regulator, it is important, and it's a duty to consider that the public interest be present in this bill. I consider that my duty. That's why I keep standing up here to talk about public interest, to keep talking about this amendment.

We've proposed adding a third section to the mandate of the regulator that mirrors section 3 of the current ERC Act, which reads as follows:

> Where by any other enactment the Board is charged with the conduct of a hearing, inquiry or other investigation in respect of a proposed energy resource project or carbon capture and storage project, it shall, in addition to any other matters it may or must consider in conducting the hearing, inquiry or investigation, give consideration to whether the project is in the public interest, having regard to the social and economic effects of the project and the effects of the project on the environment.

3:40

Well, we've heard from the Member for Strathmore-Brooks. We've heard from the Member for Rimbey-Rocky Mountain House-Sundre, the Member for Airdrie, the Member for Innisfail-Sylvan Lake, the Member for Calgary-Shaw specifically on why we need to pass this amendment, why this amendment needs to be part of the Responsible Energy Development Act. I guess my question is: why don't we have this as part of it? I think we've put forward a very good case, and I'm sure the Member for Airdrie is going to continue on this because we are going to continue on this. We can talk and talk and talk and keep putting forward these convincing arguments as to why we need to have the public interest in Bill 2, in the Responsible Energy Development Act. You know, it's one that facilitates good corporate governance. It facilitates dialogue between the public and the regulator and makes sure that all sides are being heard and that no one group becomes out of balance or heavily weighted when we're considering energy projects or things like carbon capture or storage projects.

You know, we must consider conducting these hearings, inquiries, and investigations and giving consideration to whether the project is in the public interest. Having a project put forward that one group opposes just means that there's going to be constant fighting on that project even long after it's built. They're not going to want it there. Well, if we give everybody the ability to air their concerns in a constructive manner and come together

on these things, we can have a situation like we have in my riding close to Joffre. We have the NOVA Chemicals plant. It is one of the largest plants in North America for the creation of polyethylene. The company there has done a very good job of making sure that all the other stakeholders in the area are kept in the loop as to what they're doing, how they're doing it, and where they're doing it.

I love being able to praise the job that they're doing because they are listening to the public interest. They are talking to the people that are around there. I don't see any reason why we can't expand that so that every time we are looking at a proposed energy resource project, all of these members of the community come together with the industry, with the regulatory board and discuss what their issues are because if they don't fully discuss what their issues are, they're going to come to loggerheads and they're going to butt heads on things. Society works so much better when we facilitate these things so people can talk out their issues rather than just having something railroaded through and not giving due consideration to all the stakeholders and all the citizens in the area and all the people that this affects.

When we have this kind of policy placed in our bills, it reminds the regulators to get everybody together, to get them on the same page so that they're not fighting, and they can work together, and we can see a harmonious relationship between industry and Albertans and all affected parties like I have in the riding of Lacombe-Ponoka. It is amazing that I get to stand up here and talk about that relationship that's out there. I've been to a number of the meetings that NOVA Chemicals holds with the surrounding landowners and stakeholders, and I'm in awe at what they've done. If all of the industry was doing this, we wouldn't be having these issues. These issues just simply would not exist. It's great to stand up here and praise something that works and then to make sure that this amendment becomes part of the act so that other energy projects and stakeholders that come in can emulate what has already been done and what seems to be effective.

Now, I can't say enough to praise the people at NOVA out in Joffre with the work that they've done on this, and it's a wonder to have this in the constituency that I represent. I have to say that it's wonderful to represent that constituency. It is, I believe, the best constituency in the province of Alberta. It's just a blessing and an honour to be asked to represent them and to stand up and share stories like this, where the industry has come with the other stakeholders in the area to strengthen Alberta, to strengthen the constituency of Lacombe-Ponoka, and to be a model going forward, rather than standing here and having to argue and put forward these persuasive arguments to make sure that this goes into legislation. I mean, this is just common sense that it goes into the act, so why don't we just follow common sense, vote this into the act, and save Bill 2?

Now, I don't know where else we need to go with this, but we can continue going on and talking about the public interest and the amendment that we're putting forward, that my good friend from Strathmore-Brooks has put forward, to make sure that these protections and these consultations and these hearings that bring public interest into the decisions of the regulator are continued forward. I mean, this was good in the last piece of legislation, the one that we currently have in force in the province here, so why would we scrap it? Why get rid of it? It's working. Let's keep it. Let's make sure it stays in Bill 2, the Responsible Energy Development Act. Like I said earlier, you know, the criticism may not be agreeable, but it's fulfilling a purpose, and that purpose is to make sure that the public interest is heard and that we have a good amendment to save this bill so we can pass it in good conscience and move forward with it and not have to revisit this. Let us not make haste or waste. We must not rush forward with an incomplete act that ignores the rights of all stakeholders. We have the opportunity to get it right here this time, right now, this morning at 10 to 4.

You know, it's amazing that at 10 to 4 in the morning we're still here. We're debating. It's unfathomable to me that at 4 o'clock in the morning democracy is still working. I can't explain my great pleasure that I'm here.

Everyone sure knows that it is more efficient and effective to get this right the first time than to have to come back and repair legislation that had unintended consequences. Let's go back. Let's look at this amendment again. Let's talk about it some more and make sure that the public interest is not forgotten, that our regulators are reminded every time they go back to this act that public interest is of paramount importance, that we must get all stakeholders together when we're conducting a hearing, an inquiry, or an investigation to give consideration to whether the project is in the public interest and have regard to the social and economic effects of the project and the effects of the project on the environment. This is what Alberta needs. I believe this is what Albertans want.

Thank you again for taking the time to listen to me at this wonderful hour of the morning. You know, in two hours people are going to be getting up and drinking coffee. It's just wonderful to know that we've been working on this all night and all morning and that their Legislature is working for them.

Let's pass this amendment on public interest. I'm sure the public is interested that we're doing this at 4 a.m. Thank you again for this. It looks like the Member for Rimbey-Rocky Mountain House-Sundre is going to continue on in this vein and push forward on this amendment to make sure that we get it in the bill and that we're saving Bill 2, the Responsible Energy Development Act.

Thank you.

The Chair: Thank you.

Hon. Member for Rimbey-Rocky Mountain House-Sundre, I know you'll make great efforts to focus on the amendment and the subject of the amendment.

Mr. Anglin: Absolutely, Mr. Chair. I'm more than ready, and thank you very much for the reminder.

To the hon. member: when you really see the light and make me believe that you've seen the light, I know you'll be sitting over here, too. This is where the light really shines.

In dealing with this amendment on the issue of public interest and the broader scope of social and economic effects, one of the things we haven't talked about in dealing with carbon capture is transmission lines. Now, the fact is that you cannot capture carbon and pipe it any great distance without having transmission lines to power that pipeline. That is a fact.

3:50

An Hon. Member: No, it's not a fact.

Mr. Anglin: Oh, it is.

We'll explain it because it depends on where it's going to go and how far it's going to go. It's going to need electricity – all pipelines do – and it's got to be pressurized to push that. If you take a look at our existing transmission system along with what has already been approved by legislation, this is what a single regulator would be able to take into consideration when it looks at the overall impact of the project. With HVDC between Edmonton and Calgary, which is uneconomic to begin with, you can't tap into that in central Alberta.

An Hon. Member: I thought that was your idea.

Mr. Anglin: No. My idea was to come down from Fort McMurray. They seemed to miss that one. I actually believe in HVDC technology. I actually believe in AC technology, and I believe in transmission lines and the development of electricity, so that's not a problem. But if anyone said that I recommended a very short-distance HVDC line, that would not be true. I recommended using HVDC over long distances. Now, that would be true because then you can make an argument that it was economic.

Now, I actually brought that forward to the Energy minister, if I'm not mistaken, talking about bringing electricity down from the Slave River region all the way to the Redwater proposed upgrader, which would fit right into section B of this amendment, which is dealing with a proposed energy resource project. Here's where we have an example of why the regulator should have an expanded scope of jurisdiction to consider the wide project impacts, not just social but economic effects and the effects on the environment. Transmission lines and electricity are just as much a part of this as the extraction of bitumen. It is relative to the overall scope of the project. That's important.

When you look at the development of transmission in this province and what we're going to do about it, it's why we should always wait for the economic trigger. That's what you'd want the regulator to do. That's what this amendment would authorize this regulator to do: to step back, take a look at the wider aspects of how all these projects would dovetail together, and make a decision on the social and the economic effects in the public interest. That's all transmission lines are, the public interest. It's not really a private thing unless you're the regulated utility that owns the transmission line, but that's a different matter. That's a regulated company, and they're governed by different legislation. But other developments in the province will make use of that.

Here we're dealing with a situation where, if we were going to integrate carbon capture with what we were planning, we probably would not be building these short-distance HVDC lines. We probably wouldn't even be locating them where they're located. That would be a different matter altogether. But it could save us billions of dollars by doing the project right. So having a regulator empowered by this amendment to step back and integrate a number of projects or a singular project in the various aspects of development can save the public a sizable sum of money. That is something that we're looking at right now, building a couple of multibillion-dollar clotheslines that have no general economic value to the public, and maybe they never will, depending on how generation develops. This is a huge issue in the planning stages, in the approval stages, in the approval process of energy development.

The public interest or the public interest test is not a minor matter. It is a huge responsibility. That responsibility under this amendment is given to the single regulator. When this regulator can give consideration to whether the project is in the public interest, that's the part that they can actually come back to and look at and say: we need to step in and make minor adjustments. In some cases they're minor adjustments, but they could affect billions of dollars in expenditures that would save the ratepayers or the taxpayers of this province a significant amount of money.

The other thing that it can do is create efficiencies. One of the ideas that has been floated in this province for some time – it seems to be developing pretty much on its own initiative in many ways, if that's a good way to describe it – is this green energy corridor, which is proposed by industry, on the eastern side of our province. Now, it's called a green energy corridor because I think it's just a good marketing name, but really what it is is a utility corridor. It is a corridor where we would locate our transmission lines, our pipelines, and other utilities for the enhancement and the development of oil sands projects and local oil or gas extractions.

How would we deal with the situation of advancing that green energy corridor unless this regulator has the ability to look at each individual project that comes before it, that would be affected by it, and how it would integrate with this green energy corridor? It's significant. This is a corridor that is proposed to come from the Fort McMurray area, down the eastern side of the province, and actually enter into Montana. If I'm not mistaken, down by Havre, Montana, is where it is currently recommended. Whether that will come to fruition or not would then depend upon this regulator. Do they move forward with it? Do they not move forward with it? How does it work?

I would argue that without the ability to have that broad jurisdiction to consider every element as these applications come forward, how they would be integrated in this green energy corridor would be an injustice if this amendment was not passed. The regulator will not have the authority to do that kind of long-term planning so that we get the most efficiency out of our development. That's really also part of that streamlining process. Not every development integrates naturally with the next development. Having a regulator that can have that vision, have that expertise, and have that jurisdiction as a result of this amendment to consider the public interest, that would be the mandate that would give the regulator the jurisdiction to step back, help design with a long-term goal in place to make the most efficient extraction out of our energy development.

The interest of the environment, which the hon. member from the third party opposition had brought up earlier today, was a great concern. I don't know if this amendment would relieve his concern completely, but it certainly would go a long way in helping to relieve that concern if the regulator had the ability to make decisions having regard to their effect on the environment. That is not just isolated to the third party in the opposition here. That is a major concern not just for environmental groups but for the public at large. I don't think it is a subject that is taken lightly in any jurisdiction. As our world grows, as our economy grows, we know we make an impact on the environment. Nobody disputes that.

What we want to do, what the goal is right there on the environment, Mr. Chair, right there on that authority, having regard for the effects on the environment – once it's accepted, this amendment would give that jurisdiction to this regulator, and that's important because we have a huge impact on the environment.

4:00

It's not just isolated to Alberta. We are 3 and a half million people and growing, and as we grow, one of the great mandates in front of us is: how do we lower our environmental footprint? If we give this authority, this jurisdiction, to the regulator, they can then take that mandate and actually make decisions to make the best use out of: how do we lower that environmental footprint? Now, the public interest test on that, then, gets carried forward, which really supports our industry.

One of the great things that benefits our industry is that the more we lower our environmental footprint, the less criticism we get. It's the whole idea behind carbon capture in many ways. It is the price we pay to play. Industry gets it; they understand. They have to get better at what they do. As I mentioned earlier, they're doing good things, but the technology that they're not yet using, that is in the future, that they see coming, can help them do a

whole lot more. When you visit with the oil sands developers, which is a large industry group, they are more than happy to explain the new technologies, what they can employ to reduce their environmental footprint. See, we know we're going to develop the resource, and we also now know we can do it better. The future actually looks bright in the sense that we can even do it better than what we currently are trying to do.

Having a regulator that can take that into consideration when it is getting ready to make a decision or when it is adjudicating a process where it needs to make a decision and not have a set time frame, because that amendment was rejected, at some point it benefits everyone. [interjection] Did someone wake up and hear that joke? I didn't hear it.

It benefits everyone. It benefits the public at large, it benefits the industry that is planning the project, and it would benefit those property owners that are dealing with the adverse effects of whatever development they're dealing with.

The environment is no light matter. It is absolutely imperative that we protect the environment not only for ourselves but for our children, for future generations. There is a marketability to protecting the environment. We do a better job than other jurisdictions that are our customers. We have something to say: "Look at what we're doing to protect our environment. Look at the strides. Look at the accomplishments." The criticism, the black eye that our industry gets is sometimes justified, sometimes not at all. Sometimes it's totally fabricated. It is a battle that our industry undertakes on a regular basis.

I will tell you that one of the leadership applications that this government can take is to give jurisdiction to this regulator to make decisions having regard for the environment. That benefit of accepting this motion will actually give a payback over the long term, in my opinion, that has great, great benefits for our economic growth. It is, I think, one of those miscalculated, underestimated benefits of allowing long-term consideration of energy development having regard for the effects on the environment. In the absence of that, we risk not just abusing the environment, but we risk an opportunity to set the leadership and excel at some of these things that we absolutely do excel at. I know that this government takes great pride in pointing out everywhere it excels. You might say that this government is not shy about that. They're more than willing to make note of that.

If this regulator has the authority and the jurisdiction to make decisions having regard for the effects on the environment, I suppose our goal, then, will be for this government to be able to make the same type of boasting and take credit for an environment that has protection second to none. Nobody would be happier than, I think, myself and probably many of my colleagues. That would be significant not just for all our constituencies; it would be significant for the industry as a whole to show itself off to the world as to how to do this better than any other jurisdiction. Let's face it. It doesn't matter where you develop oil and gas. The criticism is there no matter what country you do it in, no matter what jurisdiction it happens in.

For our jurisdiction, as the hon. Minister of Education pointed out when he gave his speech at the breakfast the other morning – he can't hear me right now – we took great pride in where we excelled. It was just absolutely something where we think we want our industry to have that same type of credit, which is: we're going to develop our oil and gas with the regulator, with the authority of this amendment, to be able to monitor and take care of the environment. Nothing would make our industry more proud than if we were able to have this type of boasting example, which is how well we excelled in lowering our environmental footprint, in protecting our environment for future generations yet still creating an industry that's growing.

Thank you very much, Mr. Chairman.

The Chair: Are there other speakers?

Mr. Anderson: Mr. Chair, pursuant to Standing Order 5 I do not think we have a quorum of 20. I would ask that we adjourn.

[Pursuant to Standing Order 5 the division bell was rung at 4:09 a.m., and the Chair of Committees confirmed that a quorum was present]

The Chair: Hon. Member for Airdrie, you have the floor.

Mr. Anderson: I like to have an audience when I speak, Mr. Chair.

The Chair: I'm sure you'll be speaking very eloquently to the amendment, hon. member.

4:10

Mr. Anderson: To the amendment. Absolutely. To the amendment, as the minister is reminding me.

Obviously, this amendment talks about public interest, and I think that there is some interesting commentary pertaining to why the elimination of public interest is a problem.

I know that there's no great love for Mr. Keith Wilson in this Chamber except on this side of the House, of course. In a November 4, 2012, letter he sent to the Minister of Energy as well as the Leader of the Opposition and the leaders of the Liberal and ND oppositions, there is a note that he put together on elimination of public interest, and it's very germane to what we're talking about here.

> Another aspect of the long-standing social contract is the mandate of the regulator as the overseer of what the energy industry is allowed to do on people's private lands.
>
> The legal provisions that set out this mandate of the regulator are found in sec. 3 of the Energy Resources Conservation Act . . .
>
> > 3 Where by any other enactment the Board is charged with the conduct of a hearing, inquiry or other investigation in respect of a proposed energy resource project or carbon capture and storage project, it shall, in addition to any other matters it may or must consider in conducting the hearing, inquiry or investigation, give consideration to whether the project is in the public interest, having regard to the social and economic effects of the project and the effects of the project on the environment.

If you notice, that legal provision which is found in section 3 of the Energy Resources Conservation Act is what we're proposing here. It's not like we just took these words out of a hat. This is actually coming from a piece of legislation called the Energy Resources Conservation Act in section 3.

He goes on to say:

> Bill 2 repeals this critical section. But Bill 2 it goes much further. Bill 2 removes every reference that exists in the current statutory framework relating to public interest. It carries none of the public interest provisions forward into the Bill.
>
> Bill 2 effectively declares that the public interest no longer applies when it comes to energy industry development in Alberta.
>
> The public interest provisions in the current law – the ones being repealed by Bill 2 – are the legal provisions that direct that the regulator is to exercise wisdom and judgment in its overall decision-making. A public interest mandate is a

> hallmark of substantive regulatory boards and commissions in modern democratic countries.
>
> The government's decision to abandon public interest decision-making for energy projects is truly troubling.

I think that's a very interesting letter and thought with regard to this section. I think it's important to understand that last line:

> A public interest mandate is a hallmark of substantive regulatory boards and commissions in modern democratic countries.

See, that's the problem. If you don't include the do-over bills, this is the fifth problematic land-use bill that we've had come through this Legislature. The other four have all had to be amended by subsequent bills except the Carbon Capture and Storage Funding Act, which still hasn't been amended. Bill 19, Bill 50, and Bill 36 have all come through this. It's like this movie just keeps replaying over and over again. We've done this every time, where the bill comes forward and the government says: "Oh, you're misinterpreting things. You don't know what you're talking about. The lawyer doesn't know what he's talking about. The lawyers don't know what they're talking about. The professors don't know what they're talking about. No one is listening to us. We've got it right. We've got it right. We've got it right."

We go through this process again and again and again, and then two years down the road, sure enough, the government says: "Okay. Well, we're going to clarify some things." Then they put in some clarifications, so to speak. Sometimes they are very substantive changes to the law to correct mistakes, and other times they are clarifications. That's what's so frustrating here, Mr. Chair. We have proposed – this is amendment A18, right?

The Chair: Amendment 19.

Mr. Anderson: Amendment 19. We're on amendment A19. We also had five subamendments, I think. How on earth can we go through this process and have 24 amendments come before this House and apparently not one of them is legitimate in the eyes of the government? I guess I don't understand that because, clearly, there've been some good ideas put forward here. I mean, the government said that the reason they denied our referral amendment to the standing policy committee is because: "Well, we've got processes in Committee of the Whole that we can do. We don't need to send it to a standing policy committee and delay the process further. We need this now. We can fix whatever we need to fix in Committee of the Whole."

The Liberals, the NDs, and the Wildrose have all brought forth amendments. I mean, I don't think any of us expect the government to agree with all of them, but surely there have to be some in here that the government can look at and say: "You know what? That's not a bad idea." You know, earlier we talked about the rights of landowners and recognizing that in the mandate of the regulator. In this case, why don't we make sure that when we're doing projects, there's a public interest requirement and when the regulator is assessing these projects, there's a public interest requirement, and so forth? I mean, we could go on, making sure that the board has people with the right expertise on it.

We just go through point after point, yet nothing seems to convince this government that they've done anything wrong, not wrong so much as that they couldn't even improve the bill with any input from the parties that represent 56 per cent of the voting public after the last election. This government has a majority; you bet they do. They got 44 per cent. They got a majority government. That's fine. Surely, they've got to think that the other 56 per cent of the people had a point and that their representatives have a few points that might be legitimate in the discourse. I just don't see any movement on that side on looking at the proposals we're bringing forward. That's why we're here at almost 4:20 in the morning right now. Frankly, I know our caucus. We represent the views of 450,000 Albertans, which, clearly, is less than whatever – 550,000? I don't know – the government got, but it's still a lot of people, and they're very concerned about these things. They've been contacting us. We've all got tons of e-mail on potential amendments, groups coming to us and saying, "How about these amendments?" and bringing forth all these ideas.

Frankly, I think we're just tired, not physically tired so much, just tired of the people that voted for other parties being ignored and just being taken for granted and being told that they don't have a point and that there's nothing we can do to improve this bill, that not even a word can be changed because this government has it all perfectly right. We saw what happened in the past in that regard.

What's frustrating about this is that we did indeed put out the olive branch on these amendments at the beginning. We released them early; we went to the minister early with them, with this and the 20 other amendments that we put forward. We're almost done. There are only two or three left. We asked for support from them. We were happy to work with them. Nothing. Absolutely nothing. Just zero. That can be a little bit frustrating, so we think that that needs to be pointed out.

It wasn't our intention to be here at 4:20 in the morning, but if that's what it takes to draw attention to this bill and how poor it is and how it's going to injure the property rights of Albertans, how it's not going to do what it's intended to do, which is to cut the time and streamline the regulatory process – I don't think it will do that either because there are still no teeth. There are still no regulations saying that it will be six months before a yea or nay is given. Taking out the Environmental Appeals Board process injures both landowner rights and, I think, the environment.

4:20

This is a bill that we were so excited to support. We wanted to support it. In second reading – go back and read the *Hansard* – we wanted to support this. We want to support it subject to a few caveats. We didn't expect to get all of them. We didn't even expect to get a majority of them, but we thought there might be something we could add. Apparently that's not the case. Apparently the government feels it's got it all completely correct. I think some people would say that that's a pretty arrogant way of looking at things. I think that everybody brings something to the table. We've been in here, and there are parts of this bill, the majority of this bill that I support. I've supported NDP amendments to it. I've supported – we all have – Liberal amendments to it. Of course, there are our amendments, and I think they would have made a much better bill, including this amendment that we're talking about now.

We're not going to allow without any fight a bill like this, that is this important to landowners, rural Alberta in particular, to be passed in the middle of the night, when people are asleep. That's just not going to happen. We're going to have to have a discussion about this, obviously, tomorrow. As long as the government wants to have the discussion, that's fine. We'll do it that way. The good thing is that we'll bring attention to this issue yet again, and hopefully over time it will create change. It already has, but there's still more change to be completed for sure.

I think the government will be happy to note that I do think that at some point we will vote on this amendment, but after this is, I'm assuming, rejected, we have to remember that this will have been rejected, the public interest requirement. They also voted against an amendment supported by the Wildrose that would

prohibit the Minister of Energy from being able to demand any and all personal information like medical records that might have fallen into the hands of the regulator, a Wildrose amendment that would mandate the new regulator to uphold property rights, an amendment that would have mandated that should the regulator reconsider a decision it had made previously, it would notify those affected and hold the proper hearing on those issues, and so forth.

I mean, it's just amendment after amendment. These are good amendments. Absolutely some of them should have been accepted. It is unfortunate. Out of all 20 amendments, I think I saw one government member on one amendment stand up and say: yeah, that probably should have been included. I think it was the one that said that we should consider landowner rights. One of the members stood up. You know, I won't single him out because that's like being given the death stare. If an opposition member praises one of the members opposite, his colleagues get really upset with that, so we won't embarrass the poor man. It's disappointing. What can I say?

So here we are. You know, the sun will be coming up in a couple of hours. The folks will arrive, and they'll be asking what we've been doing all night. I'm sure we'll explain that to them, as will the government, and we'll let the people of Alberta decide how they feel about that.

Thank you, Mr. Chair.

The Chair: Thank you, hon. member.

The Member for Innisfail-Sylvan Lake.

Mrs. Towle: Thank you, Mr. Chair. As my hon. colleague from Lacombe-Ponoka has said many times, it is an honour and a pleasure to rise in this House, even if it is 4:25 in the morning. It absolutely is an honour to sit here with the hon. Member for Airdrie and the hon. Member for Rimbey-Rocky Mountain House-Sundre. I'm the only one who knows your full title. I think it's probably because we're good neighbours.

It really is important that we get this bill correct. The amendment that the hon. Member for Strathmore-Brooks is proposing does just that for landowners, for industry, and for the government. I think that that's the important part. What everybody in this House needs to understand is that putting these amendments forward is not being done just out of pure, "Jeez, this is fun; let's put down 10 amendments."

This actually came from direct consultation with Albertans. It came from direct consultation with industry members. The hon. Member for Strathmore-Brooks has worked very hard on putting these amendments together and making sure that they're fair and reasonable. As the hon. Member for Airdrie mentioned before, he went above and beyond in ensuring that the Minister of Energy had the amendments well in advance so that there was time to discuss them and time to consult their stakeholders as well.

You know, I think that it does pay some heed to mention that this isn't five Albertans; there's a significant number of them. I also know that this side of the House is not the only one receiving these concerns. For everything that we're receiving, from what we can see, they are also being sent to the Minister of Energy as well and some of them to other members of this House on the government side. So it's not that anyone is limiting them to just one specific party. They're actually limiting their concerns with regard to this bill to all MLAs for their consideration and for their discussion. Certainly, I mean, if we're tremendously way off and if there's absolutely no ability to have carbon capture and storage projects, which means a project for the injection of captured carbon dioxide, added into this bill, I'd certainly love to hear from the government members as to why that is absolutely impossible to do, as we would have liked to have seen on all the other 18 amendments that we've put forward, not to mention the subamendments. It's also interesting that in all parts of this bill, just as the hon. Member for Airdrie mentioned, the public interest portion has been completely removed from most sections of this bill, which should cause everybody a bit of concern.

The hon. Member for Strathmore-Brooks mentioned a document that he received from Shaun Fluker, which was written on November 13, 2012, which I believe he sent to everybody. I don't have everybody's e-mail on this, but it appears that it was sent to more than just the Wildrose Party. I have no idea who he is. I've never met him. I don't follow anything he does. Strangely enough, he's writing in defence of the current hearing practice at the Energy Resources Conservation Board because he feels that that process is more thorough than what we're doing with Bill 2. We're basically saying that we're going to streamline the process, that we're going to merge these departments into one single regulator, but then we're going to eliminate the processes that we have currently in existence which provide the public interest portion of this bill.

He also goes on to state that "Bill 2 significantly reshapes the governing legislation on energy project hearings, and . . . the Bill proposes to repeal existing statutory rights held by landowners" under sections 26 and 28. Now, that's only one part of what he's talking about. But when he talks about the significance of Bill 2 literally reshaping what landowner rights are, well, we've been here before, and if we don't get this bill right through this amendment, we're going to be back here, just as we were on Bill 50, and you're going to have the protests, and you're going to have the town hall meetings that we saw with bills 19, 24, 36, and 50. I'm pretty sure that the government really doesn't want to go there.

Repeatedly we've heard in this House how members of the government side are very much in favour of landowner rights, and I have no reason to doubt that. I strongly believe that there are many in this House that absolutely are. Unfortunately, there seems to be this idea that if they support any opposition amendment, that must mean that all of a sudden they're crossing the floor and becoming a Wildroser. You're certainly more than welcome to do that, but just because you side with what's right for Albertans doesn't necessarily mean you're changing your skin kind of thing. So that's always good. [interjection] No, you're absolutely right. It doesn't necessarily mean you're not either, but we don't hear from the other side, so I guess we don't know what that position is at all.

As I said, I'm more than willing to understand exactly why we would remove public interest in its entirety from this bill. It would be great if that explanation was provided at length and if that explanation could be provided to Albertans because I think they would love to hear it as well.

The next issue you go to as it relates to the amendment is that it talks about the social and economic effects of the project and the effects of the project on the environment. There's an interesting article from the European Environment Agency, and this was done in November of 2011. It promotes carbon capture and storage as a new and innovative way to go, and it talks about how it can bridge the gap for the next few decades in cutting emissions. I think that that's where the government is going, and I can applaud that because we need to look at new technologies and new opportunities to have bigger discussions on what's the best investment for Alberta and all of that.

4:30

But it also talks about that they have reporting that shows that "while CCS may have an overall positive effect on air pollution, emissions of some pollutants may increase. Understanding these types of trade-offs are extremely important if we are to deploy this

technology." Clearly, Alberta is deploying this technology. When we're investing $775 million and eventually $2 billion into a carbon capture and storage program, we need to make sure that the social and economic effects of this project and of these types of innovative ideas are worth what we're doing.

One of the things they do mention is that CCS requires approximately 15 to 25 per cent more energy depending on the particular type of technology used. Something that's not been really made clear to Albertans, as far as I can see, is: what types of technology are available for CCS? How are they used, and what is the best methodology in using them? I think that would be very helpful for Albertans.

It goes on to say that "this in turn can lead to increased 'direct emissions' occurring from facilities where CCS is installed, and increased 'indirect emissions' caused by the extraction and transport of the additional fuel." Now, this is where it can cause concern because if you're asking landowners to store CCS underneath their land, then if it is possible – and I'm not saying that it is or it isn't; I'm just saying that if it is possible – that there could be direct emissions, then that needs to be researched and that information needs to be provided.

We talk about research on asbestos. We talk about research on emissions from our vehicles. We're very environmentally conscious on what we're putting into the environment, and I don't see that CCS is any different than that. Clearly, when the government of Alberta sees this as a strong technology and an opportunity to go forward, then it would behoove us to make sure that in the act itself it is covered under this amendment. We seem to have just pretended it's not there.

Going on to more of the economic and social effects of the project and the effects of the project on the environment, there's also an additional effect. What is the effect of this on our children? Does the cost outweigh the benefits, and has that analysis been done? We have already heard from TransAlta that the costs for them don't outweigh the benefits, even with a $779 million investment from the province of Alberta and additional funds coming from the government of Canada. Those costs and those related benefits, whenever they may come, will be something that our children will have to deal with. If we don't even know really and truly the environmental impact of what CCS does, I don't know that we should be really putting so much value onto the economic effects of the project when even TransAlta doesn't really do that.

The generations going forward are going to be the ones that will have to pay. We hear in this House every day about how in the decisions we make we have to take into consideration the future of our children and those who are left after we are long gone to deal with the effects of the decisions we make today. We hear it about schools, and I think that's an appropriate comment to make. What we do hear about schools is that we need to build schools in a way that impacts 20 and 30 years from now, but we're not talking about that with carbon capture and storage.

What we're doing today that might impact us in 30 years certainly has a direct relation to the social and economic status of this province. It also has a direct relation to the environmental effects on this province. If there is a possibility of direct emissions or indirect emissions going anywhere, do we really want to put any Albertan at risk for anything that we are not sure of at the moment, especially as it relates to carbon capture and storage? We wouldn't do it with other emissions, so it would be sort of odd that we would not apply this to those same things.

The other part of it is that when we're talking about social and economic effects, by not including carbon capture and storage into this bill, there are really no determinations of: where do these projects get decided, where do they go, how do they go in there, what are the guidelines of it? If it's not covered directly under the single regulator, then literally the single regulator doesn't really have to provide that kind of information. Yet if we provide it under the single regulator, then it's easily transparent, it's easily covered, and the single regulator knows: "Okay. This is something I actually have to be paying attention to. I have to make sure that we're meeting all of the interests of the public, we're making sure that landowners are appropriately notified, we're making sure that industry gets proper notification, and we're also making sure that this is in the best interests of all Albertans."

Without carbon capture in the bill, those guidelines are absolutely missed, and not by intention, I'm sure. I think that literally most people believe that it's implied, and I'm sure that it could be, but it may not be. This government prides itself on making sure that it's thorough and consistent, that it's covering all their bases. If we're covering all our bases and we've invested so much money into carbon capture and storage, then clearly we should be covering it.

We also have to understand that when you're talking about environmental effects and social and economic effects, those are a direct impact to landowners. When you go to sell your property and you have to disclose that you have carbon capture storage underneath your property, we don't know at this point in time whether that devalues your property or increases the value of your property. In certain areas it may not matter, but in other areas it certainly might. What we are doing is we're imposing a direct economic impact onto the landowner. We're basically saying to them that the landowner is so unimportant that we won't look at the public interest and we won't give you notification and we won't give you the right to appeal, but we also won't give you any guidelines on carbon capture and storage programs.

Sorry. I absolutely will not stand here – as many of my caucus mates here I have a duty and an obligation to protect Albertans. When we see something that is so poorly written, then we're going to be here until it's righted. It's an easy way to do it. We've proposed 19 amendments. In 19 amendments there were clearly at least one or two or 10 or however many that certainly could have been considered. None of them were. The reason none of them were had nothing to do with being open and transparent. It had nothing to do with whether they were the right or the wrong amendment. The only thing it had to do with was because it was coming from the side of the opposition. That's just not a good way to govern. There is an opportunity here for the government and the opposition to work together and have a win-win for Albertans. That is really and truly what being a legislator is all about.

We saw it with the former Premier, Mr. Stelmach. He botched bills 19, 24, 36, and 50. He invoked closure on some of those. Many of those bills, unfortunately, were not even read or understood by many MLAs. I know even in my own riding, my own previous MLA admitted in a public forum that he had never even read the bill. He had no idea what it was talking about, yet he was promoting it as a good cause and good for Albertans. Clearly, on Bill 50 that wasn't accurate. This government travelled the province and tried to convince Albertans that bills 19, 24, 36, and 50 were good for them, that they were in the public interest. Clearly, Albertans didn't buy that. I would suspect that that's a big portion of why there are 17 Wildrose MLAs in here today.

The reality of it is that the former Premier didn't hear the voices of Albertans. Let's not make that mistake again. The voices of Albertans are coming in. They don't have to come through the Wildrose. The government is more than able to make these amendments on their own. Had they done that, the Wildrose would actually have supported them. Now, not every one of them.

As the hon. Member for Airdrie had already mentioned, there's nobody on this side of the House that thinks we're going to get a hundred per cent success. But, certainly, the government could have got a hundred per cent success by just listening to Albertans. You would have literally got support from the Wildrose, and you certainly wouldn't be sitting here at 4:40 a.m.

The important part is that we need to ensure that when we are passing legislation in this House, that that legislation does not have a negative effect on those that it's intended to protect. That's the most important social and economic and environmental effect that this amendment can have. We do not want to have a negative effect on Albertans, and that's what this bill does.

4:40

Repeatedly this bill does not meet the lowest standards for public input. It is clearly not wanting to put into the bill the idea of public interest and protecting landowner rights and doesn't afford landowners the ability to have a say in what are the effects on their land. They're the stewards of their land. The government doesn't own an Albertan's land; they own it. They paid for it. They're paying the mortgage on it. They own it. The title is in their name. And we need to always, a hundred per cent of the time, respect that that ability with the landowner remains the right of the landowner.

We take a look at bills like this that remove certain sections, seemingly purposely, that are in other bills all across this province, that have been passed by this fine Legislature and this fine House and the fine members in here, yet it's excluded from this particular bill. That's what's concerning to most Albertans. It is in other bills. We talk about the public interest all the time. We talk about the social and economic and environmental effects on Albertans, yet in this bill in particular we've neglected to put it in. For what reason? I guess that's the question that most Albertans are questioning here today.

I would implore this government just to take an opportunity to look at some of them. There are still three or four – I don't know – or however many more. The more time we have, the more we can make, I suppose. So have a discussion with the caucus about some of these bills and see if they do provide any value to you and see if Albertans have a voice in this Legislature, which I would hope that they would.

Thank you.

The Chair: Are there other hon. members? The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. We have made amazing progress on this bill tonight. By my count now in Committee of the Whole on this very important bill for the future of Alberta in terms of the balancing of responsible energy development, responsible development, environmental impacts, sustainability, quality of life – it's a very important bill. That's no doubt why we have spent in committee so far 29 hours and 42 minutes, which is, I think, a fair amount of time to spend on a bill. Particularly when you think that this last amendment, if I recall correctly, deals with carbon capture and storage, an amendment to put "carbon capture and storage" into the bill, that is in itself very ironic given that the position that we've heard from the Wildrose in the past is that they've always been opposed to even considering carbon capture and storage. Now they want a regulatory body to deal with carbon capture and storage.

That quite aside, I also understand that there may be several more amendments. For some reason after probably four hours – I might be wrong on that estimate – on this last amendment, the members opposite still feel that they have things to say on that amendment. So I'm not sure if they just have difficulty getting their arguments together or whether it's just something that has to be talked out because it's so complex, that they can't get over the concept of carbon capture and storage. I'm not quite sure what it is, but I think we need to have an opportunity for them to regroup and consider their arguments and maybe see whether we could deal with some of the other amendments that they have. Of course, perhaps, as I understand it, there may be a need for someone to be here to address the amendments. Whatever it may be, I think we could probably use a change of pace.

I would move that we adjourn debate on Bill 2.

[Motion to adjourn debate carried]

Mr. Hancock: Mr. Chairman, I would move that the committee rise and report progress on Bill 2.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: I'll recognize the hon. Member for Fort Saskatchewan-Vegreville.

Ms Fenske: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports progress on the following bill: Bill 2. Mr. Speaker, I wish to table copies of all amendments considered by Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Thank you, hon. member.

Does the Assembly concur in the report?

Hon. Members: Concur.

The Deputy Speaker: Opposed? So ordered.

Government Bills and Orders
Third Reading
Bill 5
New Home Buyer Protection Act

The Deputy Speaker: The hon. Minister of Municipal Affairs.

Mr. Griffiths: Thank you, Mr. Speaker. Good morning. It's a chilly morning out, I understand. It's a pleasure to rise today to present for third reading Bill 5, the New Home Buyer Protection Act.

I'd like to thank all members who have participated in second reading and in Committee of the Whole for their supportive comments and for their questions, Mr. Speaker. Bill 5 is an incredibly important piece of legislation that will protect new-home purchasers and make a real difference in the lives of Albertans and families. You've heard me say this before: buying a home is perhaps one of the biggest purchases any person in this province will make in their lives, and Bill 5 will help protect that investment.

To recap, the legislation will give Alberta the strongest new-home warranty in Canada by requiring warranty coverage in four key areas. The first is one year on materials and labour, two years on delivery and distribution systems such as heating, plumbing, ventilation, and air conditioning systems, often referred to as HVAC. It will provide them with five years' building envelope coverage. Also, Mr. Speaker, warranty companies will be obliged to offer homebuyers an additional two years of coverage, so up to seven years of coverage, on the building envelope. Also, 10 years

on major structural components such as foundation and framing will be offered on the home.

One amendment discussed in Committee of the Whole proposed to extend the coverage on materials and labour and on the building envelope. Mr. Speaker, the one-year coverage on materials and labour, sometimes the stuff that's called the fit and finish, is very much influenced by the people living in the home. It tends to be the part of the home that gets the most wear and tear, gets the most quick changes in the home when people decide they want new colour schemes or new countertops or new cabinets. Therefore, because it's most prone to wear and tear, it's hard to assess defects beyond one year that are beyond the homeowners' direct impact. It was considered in consultation with all parties that extending that beyond one year, at least for the time being, might make warranties more expensive, thereby cost prohibitive for young families who are trying to purchase a home.

It was also suggested, Mr. Speaker, that the five-year coverage on the building envelope is appropriate as our research shows that this is the time frame where most failures become evident. We also have added the requirement for a mandatory offer of two years of additional coverage, which makes it the strongest warranty coverage in Canada. It has been suggested that it should be a mandatory seven years right though, but in our consultations with some of the warranty companies and construction companies and with other jurisdictions that are undertaking the same enterprises, we've realized that this could also significantly drive up the costs of having a home warranty and, thereby, perhaps make the cost of a warranty prohibitive and affect the ability of young families to enter a new-home market.

I'd like to repeat that the requirements in this act apply to all warranty providers currently operating in Alberta and any future warranty providers. I know there were some questions about the Alberta New Home Warranty Program. That's not the new-home warranty law that we're adding here but the New Home Warranty Program. That, Mr. Speaker, is a private warranty company which is not insurance backed. There were questions about that. Because this company, this warranty provider, is not insurance backed, they have an exemption to the Insurance Act.

4:50

The questions and concerns were about whether or not that makes this an unlevel playing field, Mr. Speaker. Though the Alberta New Home Warranty Program is exempt from the act because it's not technically an insurance warranty provider, the exemption explicitly states that they still have to comply with all the rules and regulations that any other company does that is obliged to follow the Insurance Act. So it ensures a level playing field for any and every single company currently operating in Alberta or that may come to Alberta in the future.

There were also some discussions around exemptions. We need the ability to exempt types of dwellings, ones that we may perhaps know about now but ones that may arise in the future as an issue, that are currently in the province or ones we have not even seen as new construction technologies come online, Mr. Speaker.

There are also issues around aspects of common property in a condo that may not have been contemplated in Alberta. I did at one time point out that some bare-land condo associations also include bare-land property lands within the condo association. There's no intention for the new-home warranty to provide warranty coverage on lands, Mr. Speaker. This is supposed to be on homes, which means that the minister has to have the prerogative and the ability to avoid undue consequences and exempt perhaps land and bare-land condo associations from being included in the new-home warranty insurance claim.

There are also buildings, Mr. Speaker, such as hotels and motels and dormitories that will be exempt as their ownership model is completely different from single-family homes and condos, and they're not intended to fall under the new-home warranty. Our objective is to protect Albertans and to protect their homes as assets, not businesses.

We also discussed and I believe I made some comments, too, in Committee of the Whole that it may be required to provide exemptions for uncontemplated solutions. It was suggested that perhaps trappers' cabins would fall under there or perhaps mobile trailers or, as some of my southern neighbours call them, homes with wheels or perhaps, Mr. Speaker, really, really fancy tents that some people live in. Those are not intended to fall under the new-home warranty, though some people may consider them permanent or temporary dwellings. We can't foresee all the solutions, and that's why the exemption is incredibly important.

The legislation considers the unique needs of the owners of condominiums with the requirement for a building assessment report. That was discussed a bit. I want to assure all members that the details around this requirement will be forthcoming in a timely manner in the regulations that we'll be crafting soon, not to be presumptive but once this legislation passes. We'll address the unique needs around starting the clock on the 10 years of coverage in a condo when people take possession of their condos at different times and the questions around when everyone takes possession of the common property, Mr. Speaker, because we need to know when to start the clock. That will also be done in proper consultation. I appreciate the Member for Edmonton-Strathcona, who had asked the questions.

The objective of the building assessment report, Mr. Speaker, is to support condo corporations as they make informed decisions about the needs of the building. An amendment was introduced in Committee of the Whole that would have required a home inspection to be conducted by a home inspector, as regulated in the Fair Trading Act, on a single-family dwelling. I'm really thankful that that amendment was not passed. I do believe I spoke against it. Quite frankly, I didn't quite understand the notion.

I think it needs to be put on record that I understand the member's intent for making it so that an inspection be done by somebody very independent. But a warranty company who's covering a house will want an independent inspector to give them a very critical report because they're the ones that are ultimately going to have the cost. Making sure the warranty company cannot hire the inspector and that the potential homeowner has to again drives up the cost for a young family looking to purchase a home and doesn't necessarily serve the needs or provide any added coverage or benefit by not having the insurance company pay for it. They're interested in making sure that the quality of the home is up to par so that they don't have future costs to themselves.

Mr. Speaker, in this act we also recognize that some Albertans wish to build their own homes. It's a critical feature from one end of this country to the other. Owner-builders are quite frankly exempt from the requirements of the act unless they sell their home within the first 10 years of building the home. If they do, they will be required to purchase remaining warranty coverage for whoever would be buying their home.

Now, I know there was some discussion about this in second reading. Warranty companies, Mr. Speaker, have very explicitly and publicly said that they will provide coverage to owner-builders who find themselves unexpectedly needing to sell their home in less than 10 years after completion. We have people all over this province who wind up with different jobs in another part of the province or another part of the country and unexpectedly have to sell. They will have the opportunity to purchase a home

warranty for those that would be coming after them and buying the house. We anticipate the warranty companies will conduct inspections, and the cost of coverage would reflect the level of risk.

Mr. Speaker, owner-builders would be informed at the time they apply for their exemption that if there is any possibility they may sell before the 10-year period, they will be required to purchase the warranty for sale. Owner-builders will also be informed that they have the option to purchase a warranty at the time, which may be a lower cost in the long run, of when they build their home. Regardless, they will be fully informed of the risks of not purchasing a warranty and the potential costs that go with it and the requirement that they will have to buy one if they sell their home.

There were also concerns raised in second reading that administrative penalties seemed high, Mr. Speaker. The $100,000 maximum fine is just that. It's a maximum. For situations where a violation has resulted in significant financial benefit to the violator, I am sure that some of those maximum fines will not only be warranted but well deserved. We have got to make sure that violations of the building code, building improper dwellings, when somebody is making the largest purchase in their life is not a profitable situation for anyone in this province. If someone has paid an administrative penalty, it also should be noted they cannot be charged with an offence for the same violation. You cannot be charged twice. The fines are consistent with the types of administrative fines in many other pieces of legislation in this province.

For serious violations where administrative penalties aren't appropriate, the Crown prosecutor can charge an individual with an offence, Mr. Speaker, because ultimately this is about consumer protection, and the best way to protect consumers is to make sure there are punishments for those who wish to take advantage of them. A judge would determine the amount of the fine. It could be up to $100,000 for the first offence, up to $500,000 for second and subsequent offences. A judge can also award restitution if someone has suffered a loss as a result of an offence.

Again, these penalties may seem high, but in our housing markets today doing a quick turnover with a home and leaving somebody with a shoddy project may also be very profitable, and the penalties have to fit the crime to make sure that the people aren't taken advantage of. These fines are consistent through many other pieces of legislation.

As far as the regulations are concerned, program specifics will be contained in the regulations, which will be drafted, Mr. Speaker, in the spring of 2013. We're going to actually commence consultations as soon as this legislation passes, if it passes, with all stakeholders. This approach will ensure that we have flexibility, that we have a responsive program that can easily respond to Albertans' needs over time and over changing circumstances.

Some items will be worked out in greater detail on the regulations, including specifics around manufactured and modular homes, as I said, through further consultation, but we have been working with the industry to determine how these requirements for warranty will intersect with the manufacturers' warranties in those particular products.

Now, while most homes, Mr. Speaker, are built to withstand the test of time, if things go wrong, the legislation gives homeowners strong protection, some of the strongest protection in the entire nation, to get their homes repaired. We expect and have seen the quality of construction rise in other jurisdictions that have undertaken the same sort of new-home warranty protection we're undertaking here today. That's the ultimate goal. We do not want Albertans to need a warranty. We want them, in fact, to never need to call on the warranty because they get the best quality homes built in the entire country.

We have brought all stakeholders together on this, Mr. Speaker, everyone from builders and developers, from construction companies and contractors, and from homeowners and consumer groups, and we have yet to find one group in this finished product that we've presented here who is not thrilled about this because everyone wants to ensure that they have a quality product to buy, a quality product to build, and a quality product to sell.

I'd like to ask all members to support Bill 5 because, Mr. Speaker, ultimately this is about supporting fellow Albertans and building strong communities one house at a time. With your support for the new legislation we'll immediately begin work on the regulations, and a detailed implementation will follow up in the fall, when this warranty comes into effect.

Thank you very much, Mr. Speaker.

The Deputy Speaker: Thank you, hon. minister.

Hon. Members: Question.

The Deputy Speaker: The question has been called.

[Motion carried; Bill 5 read a third time]

5:00

Bill 6
Protection and Compliance Statutes Amendment Act, 2012

The Deputy Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. It is my privilege to move Bill 6, the Protection and Compliance Statutes Amendment Act, 2012.

Bill 6 is a very important piece of legislation which will provide amendments to three particular statutes for the protection of Albertans and to encourage compliance with codes which provide that kind of safety and that kind of protection.

The first is the Fair Trading Act, Mr. Speaker. The provisions here will provide for the levying of administrative penalties under the Fair Trading Act. The purpose of levying an administrative penalty as opposed to the penalties that are already provided for in the act is that it provides another level of enforcement, one which is, yes, easier but is in some certain circumstances more effective. In other words, if there's a violation of the act of a less than egregious nature, rather than going to a full prosecution and all the process that's engaged and the time that's engaged in that – and time is really the critical element here – the administrative officers can approach the party that is violating the act, can talk to them about the violation of the act, and if there is not progress made, if there's not a change in behaviour, they can levy an administrative penalty.

This amendment puts into place the ability to use an administrative penalty option, something that's available in many other statutes. Then, of course, there are the corollary pieces to that, which say what happens if you fail to pay the administrative penalty and, of course, the need for and ability to appeal. Obviously, there always has to be an appeal mechanism, so there is a process for appeal. There's a process to make sure that notice of the administrative penalty is made public, so there's a public record of that.

That's the process under the Fair Trading Act. It provides for a right to representation. It provides that if an administrative penalty is levied and paid, there cannot be, then, a subsequent prosecution

for the same offence, so fairness rules in place to make sure that it's utilized appropriately.

One other section with respect to the Fair Trading Act which is important, and that is a change in the penalty amount under a prosecution so that if any person is convicted of an offence – this is going away from the administrative penalty part now and going into the prosecution side – that offence could be up to a $300,000 penalty rather than the existing $100,000 penalty.

There is also a provision in the act, Mr. Speaker, for a time limit for prosecution, and that's just to align the offences more appropriately. Under the Fair Trading Act the limitation was three years after the commission of an offence. What this provision puts in place is that where an offence is committed in the course of a consumer transaction or an attempt to enter into a consumer transaction, it would be three years after the date the consumer first knew or ought to have known of the offence and not more than eight years after the date on which the offence was committed.

Those, essentially, are the amendments to the Fair Trading Act.

Then the second act that's being amended here is the Occupational Health and Safety Act, one, Mr. Speaker, that's very near and dear to my heart. Of course, we have in Alberta a compliance process with respect to occupational health and safety that really focuses on working with industry to make workplaces safer. It's a process in which under the occupational health and safety code you're really outlining what the expectation is with respect to workplaces, with respect to employers, with respect to employees and how they can go about making sure that workers can operate safely in the workplace and go home to their families at the end of their workday. Some people do have a workday that actually ends.

So that's important. But in some cases, I'm sad to say, those codes are not followed or not complied with, so there are times when you have to utilize enforcement mechanisms or tools to encourage compliance with safe workplaces. Again, there are two tools that are currently in use. One is essentially an enforcement order – in other words, in the nature of a stop-work order that might be applied – and that can have some effect. It certainly can have effect if it takes a while to achieve compliance; in other words, work is stopped for a while. But in the case, again, of an offence that can be remedied rather quickly, a stop-work order has little effect, and when you have an offence that's remedied quickly and then repeated, it is not an effective tool. But you're not going to actually want to go to a prosecution for an offence like that.

We have on occasion in this province over the past year had, for example, three people who have fallen from roofs. Of course, you're supposed to be wearing a safety harness when you're on a roof, and you're supposed to be tied on. In fact, these three people were tied on, but the ropes were too long, and unfortunately we had three fatalities as a result of those three accidents. [interjection] You know, it's not funny, Mr. Speaker, because some people didn't go home to their families. There were tragedies. There are families who've lost a husband or a father or a brother or a son.

But if you're trying to change the culture that exists in some of the industries, you need to deal with those. You need to deal with them in a way that makes some sense. One of the things that we are going to do is have ticketing offences so that occupational health and safety officers could go to a work site, and when they see somebody either not wearing a safety harness, not wearing safety equipment, or wearing safety equipment that they're using in name only and it's not effective because they've purposely had a longer rope or whatever, they would be able to issue a ticket. Now, this act doesn't provide for the tickets. That can be done under existing legislation and with a change to regulation, but what this act does provide for is, again, an administrative penalty which could be applied in circumstances which might be more appropriate for an administrative penalty than a ticket, usually because the employer is not enforcing safety standards on the work site, not doing a proper review, those sorts of things.

Again, the Occupational Health and Safety Act, then, would allow for administrative penalties, and again, of course, you have the corollary amendments that are required. One of them, for example, would be to require the identification of a worker or an employer on a site at the request of an officer. Obviously, if you're going to write a ticket, you've got to know who the person is. You've got to be able to have the authority to require that identification. You also have to have appeal mechanisms. If you're going to have an administrative penalty, you've got to have fairness in its application. You've got to have the ability for people to appeal.

Suffice it to say that those provisions will allow for appeals to the Occupational Health and Safety Council and ultimately to the Court of Queen's Bench if necessary. Again, the provisions in the act provide for the limitation on what size of penalty can be administered. In this case the amount set is not to exceed $10,000 or, in the case of an ongoing offence, $10,000 for each day.

5:10

One of the other pieces that is being amended. Under the existing act, as in many acts that we have in this province, you can have – what's the term? – in essence, where the parties get together and determine that instead of a guilty plea and a payment of a fine, there will be a negotiated penalty, if you will, and instead of the fine being paid into the provincial coffers, it could go to an agreed-upon purpose. The circumstance, though, that we don't have in the act and that we need in the act is a provision where somebody agrees to that kind of negotiated payment and then fails to pay it. Those are very important changes.

The third change is to the Safety Codes Act. That's very simple. It's a question of increasing the amount of penalties – that's very important because the penalties are significantly out of date – and aligning the prosecution time limit.

Mr. Speaker, a very, very important act for Albertans. As we move forward, we make progress in protecting consumers and making the workplace safer. I would ask all members to support Bill 6 in third reading.

The Deputy Speaker: Thank you, hon. Government House Leader.

Are there other speakers?

Hon. Members: Question.

The Deputy Speaker: The question has been called.

[Motion carried; Bill 6 read a third time]

Bill 9
Alberta Corporate Tax Amendment Act, 2012

The Deputy Speaker: The hon. Minister of Finance and President of Treasury Board.

Mr. Horner: Thank you, Mr. Speaker. I will be brief. It is my honour to rise and move third reading of Bill 9, the Alberta Corporate Tax Amendment Act, 2012.

I did want to just give thanks to the hon. members across the way for a number of good points that were brought up during the debate in both second reading and committee.

Did you want to me to stop, Mr. Speaker?

The Deputy Speaker: No, no. Sorry. As I said, it's been an early morning. Please carry on, hon. minister.

Mr. Horner: I didn't know whether you were trying to get my attention there or not, Mr. Speaker.

I just wanted to say thank you to the members opposite in all parties for their support of the Corporate Tax Amendment Act, which will ensure that Alberta maintains a fair, equitable, and competitive tax regime. I look forward to their continued support for third reading, Mr. Speaker.

The Deputy Speaker: Thank you, hon. minister.

Are there any other speakers?

Hon. Members: Question.

The Deputy Speaker: The question has been called.

[Motion carried; Bill 9 read a third time]

Bill 10
Employment Pension Plans Act

The Deputy Speaker: The hon. Minister of Finance.

Mr. Horner: Thank you, Mr. Speaker. Again, it's my pleasure and honour to rise to move third reading of Bill 10, the Employment Pension Plans Act, which is meant to make it easier and more affordable for private-sector pensions to operate and to change with the times.

There are a lot of things that are involved in the act, but suffice it to say that there has been a lot of very good discussion and debate in this House on the act as it moved through with support, again, I might add, from all sides of this House. Some very good comments, again, were put on the record. I want to thank the hon. members opposite for their support of the bill through all those readings. This is the culmination of a number of years' work, and it's a good piece of legislation.

Mr. Speaker, I move third reading.

The Deputy Speaker: Thank you.

Are there other speakers?

Hon. Members: Question.

The Deputy Speaker: The question has been called.

[Motion carried; Bill 10 read a third time]

Government Bills and Orders
Committee of the Whole
(continued)

[Mr. Rogers in the chair]

The Chair: I'll call the Committee of the Whole to order.

Bill 8
Electric Utilities Amendment Act, 2012

The Chair: I'll open the floor for questions or comments.

Mr. Anglin: As I understand you, this is Bill 8?

The Chair: Bill 8, hon. member.

Mr. Anglin: Okay. Caught by surprise.

Thank you very much, Mr. Chair. I will be introducing a couple of amendments, but I want to speak initially to this bill on a number of different issues. It is really important that we look at what has happened here. The government has accepted the fact from all the stakeholders that it should not be making this decision and should not have the jurisdiction to make this decision. I think that when I first spoke to this bill, when it was first introduced, the comment was that in the medical world you wouldn't want government taking their policy-making ability and turning that into making some sort of diagnosis. That's not what the role of government would be.

In electric utility that is the same. You don't want the government making the engineering decisions. You want the government to make the policies. In the case of what happened with Bill 50, the government decided to do away with the regulator and legislate these lines. The government legislated these lines, took the jurisdiction away from the Alberta Utilities Commission. As the hon. minister said: a different time, a different need. That's a good quote I'm going to continue to throw out to the hon. minister because it is about a different time and a different need.

There have been a lot of mistakes made, and one of the mistakes is that you have removed now or you're proposing to remove the jurisdiction of the cabinet and to return jurisdiction to the Alberta Utilities Commission. That is right, and that is just. It should not have ever been removed. But we have a bigger problem. We have not corrected what went wrong, and that is what's really important here. There's a lot of money at stake. I don't think anyone here was part of those original decisions, so they don't realize the magnitude of the problem that has been created over the years.

This started out as an application for one line, a 500-kV AC line. That's where it all started. AltaLink proposed it to the AESO. The AESO consulted not here locally, but it first consulted up in Fort McMurray, and it admitted that it made the determination to build the 500-kV line before it accepted any consultation from any participant or that it did any research and did its own engineering work, and that's problematic because that's not how you're supposed to do this. That document that they created was called the needs identification document, and it is right here. This is it. This is what it looks like. It's quite thick. It's quite detailed. I tabled it, so it's part of the record.

What you'll find in these documents is that they're quite detailed. That's what they're supposed to be. In this one binder alone there's nothing but wiring schematics on how the system is supposed to work if they do this. Now, what's wrong with this document is a couple of things. To create it, the authors had to exempt or did not consider the Balzac gas-fired generation station, any imports coming in from British Columbia, and they excluded consideration of all wind power.

5:20

By excluding those three items, the AESO was able to use the formula of that day to prove under existing rules and regulations that a line was needed. One of the presumptions was that there would never be any growth of generation in southern Alberta. We know now that that's false, but we knew that then. That's what some of the intervenors back then brought forward to the board. They said: we know that's not true; we can prove that because there were industries that were looking to build generation in southern Alberta.

Now, one of the coauthors of this document – his name is Trevor Cline – recently testified that based on the rules and regulations at the time, this is what they had to come up with. He was asked: is this in the public interest based on the circumstances that actually became reality? He answered no. Basically, what happened is that one of the coauthors of this document is basically saying that it was not in the public interest. Let me rephrase that.

He is saying now that it is not in the public interest. He stated that on the record under oath in front of the Alberta Utilities Commission. That's significant.

When any member across the House says that this was determined back in 2005, 2006, this is the document that you're referring to, but it also is a document that was approved originally by the EUB and then rejected. It was refuted, and it was voided by the EUB, and then the decision of the EUB was vacated by the Court of Appeal. So here you have a technical document that the government is relying upon, and the coauthor of this document says that it's not in the public interest mainly because the formula was wrong, and the assumptions have been proven wrong because generation has developed down in southern Alberta. The decision was vacated by the Court of Appeal and voided by the regulator at the time, so the decision should not play a role in anybody saying that it has already been determined.

So what is left is the 10-year plan. The 10-year plan is mandated by law. It is required in every jurisdiction. This is what we do. But a planning document is not supposed to be definitive as a document that indicates that something should be built. That's not what planning documents do. What should happen with an existing planning document is that there needs to be some sort of economic triggering mechanism that requires us to build a transmission line. In this case the requirement has to be that somebody or some industry is going to step up to the plate and say, "We are committed to building a project" or "We are committed to doing this," and that commitment is generally done in monetary terms. They put up a bond, or they put in an investment that is tangible in the sense that now the regulator, or in this case the AESO, can say: that's the trigger.

Now we build that transmission line, and we try to build it according to our plans, but reality dictates that because this is a dynamic market, we have to change to that reality. We can't build to a presumption, and this is where this has gone wrong. What happened under Bill 50 was that the government legislated lines based on the presumption of the plan. What we know now is that things have changed. Just like the minister said: a different need, a different time.

If you look at the proposal for the green corridor, which is what came up at the sustainable resource committee – and that is something that we have known for years – if we were to build a line from Fort McMurray down to southern Alberta, as the vice-president of ATCO stated, we would probably want HVDC. But somebody should be required to make the economic case before we make that decision. We would want to know whether or not the economic case was made, whether or not it was economical, because even though that is probably 700, 800 kilometres long, you still have to do the math to make sure that the technology you use does exactly what you need it to do.

The problem is that we legislated AC lines, and we did it in the wrong place. Now, we're not going to build those any time soon. That's not on the agenda. The lines from Edmonton to Fort McMurray: I think they're estimated to be built in 2020 or 2022. Things may change before we get to there, but the problem is that it's legislated in Bill 50, and we didn't repeal that part in this bill.

We know clearly now that with the upgrader going in Redwater, which we want to go forward, we're going to have a pipeline that's going to come south from Fort McMurray to that upgrader. Now, as I spoke about to the Minister of Energy, it only makes sense that we put that in the utility corridor. That's logical. Industry wants that. Landowners want that. It makes sense. That means that we'd want to put our transmission line in the same utility corridor. That's logical. That would make sense. I still can't tell you what should be the right technology. I think it should be HVDC, but without an economic case I hesitate to say definitively that that's what we should do, but somebody should be required to make that case.

The problem we have is that we legislated a line further west going in the wrong place, and we legislated AC, which may or may not be the right economic case, particularly if we develop the hydro north of Fort McMurray. If we don't change that legislation, if we don't amend that, then what's going to happen is that we will build something that is unnecessary and uneconomic for the public interest and the public at large.

Mr. Donovan: What would the public interest entail, Joe?

Mr. Anglin: The public interest is actually in this legislation, so we can talk about that.

That leads us down to these two HVDC lines that did get approved, one in the east and one in the west. They are amazingly expensive. I can tell you they are completely uneconomic because they don't even come to the proper length, where you can even make the cost-benefit analysis. That's what's happened.

The western line: $1.4 billion, a billion dollars more than an AC line. And, by the way, it doesn't work. It can't work. We cannot use it, and it stated so in the 10-year plan. That's an engineering defect because it's in the wrong spot. We cannot load that line to its proper potential for fear of shutting the lights off in the province. So what it says is that in order to make that line work, we have to double down and build an eastern line.

Now, this is the problem with the eastern line. It connects to Gibbons, down to Brooks, and it doesn't connect to anything in Brooks. It's a $1.6 billion line by AESO's estimation, and it doesn't connect to anything. Now, you know as well as I do that it will connect to something. The plan is that it will connect to two export lines sometime way off in the future. Nobody knows when, but that's the plan. It's in the 2009 plan. The problem is that until it connects to something, we can't use the western line to its full potential or even to any maximized potential, so it has to stay underutilized.

It's insane in the world of economics to construct projects this way, and nobody will take ownership of why this design came about. This minister was not here at the time, and many of you were not here at the time, and I know there was data that was left out. I'm going to explain some of the data that's left out. The hon. Member for Fort Saskatchewan-Vegreville fielded what we would call a softball question to the minister, which is: "What's the deal with the heartland line? We need that power to come up to the heartland." That's usually what's in the press. [An electronic device sounded] Was that my timer going off? Well, I'll be up again anyway. I mean, you know that.

5:30

The Chair: Please continue.

Mr. Anglin: At what point do I issue these amendments, anyway?

The Chair: Oh, you have an amendment, hon. member? [interjections]

Mr. Anglin: All right. Sounds good. I've just been up all night. I've got to get my brain in gear. Let me just continue on.

The hon. member asked the minister when the line would be energized, when it would be constructed, built, and energized, because we need power up in the heartland. Well, the interesting thing about that is that the heartland has 663 megawatts of generation capacity now. That's what they have. The heartland is a net exporter of electricity. Their baseload peak demand is 563

megawatts. That's the last data that the AESO published, which is consistent with being a net exporter. So why would somebody say that we need power up in the heartland when they are a net exporter of electricity? Since it's an AC line, which is unidirectional, you can't push electricity up there on that line and talk about exporting it at the same time. It's not a bidirectional line. Clearly, something is wrong with the estimation.

The reality is that when we develop up in the heartland, what happens is this. When that plant goes online, they will build a cogenerator. That's a given. We just don't know how big the cogenerator is.

An Hon. Member: No, it's not.

Mr. Anglin: Yeah, it is. It's always a given. It's economical for a major developer like that to cogen. It is always in their business plan, and it's smart business. It's a good business model. That's why the heartland is a net exporter of electricity. That's why they have excess electricity there.

When do you need a transmission line? What's the trigger mechanism for building a transmission line? Well, the formula is called N minus 1, which means normal minus one line. What that means is this. You should be able to lose a line, you should be able to have a line go offline, get a break, and all your transfer of electricity should be able to be carried by the remaining lines. If you have two transmission lines, you should be able to lose one. That one remaining line should be sufficient to handle all your transfer needs. If it's not, then you need to build another line. That's what N minus 1 means. They use N minus 1 or N minus 1 minus G, which is to take a generator offline.

What is the capacity up to the heartland now? Well, you have two 240 lines going up there, you have a third 240 line going around the north end of Edmonton, and then you actually have a twin 138 kV system. What you have there is that you're not bringing up any electricity to supply the heartland. You're bringing electricity away from the heartland when you need to bring electricity away from the heartland.

Now, two hon. members on the other side of the House here I believe went down to Idaho this last week to something called the northwest economic development partnership, something like that.

An Hon. Member: Pacific Northwest Economic Development Council.

Mr. Anglin: There you go. I'm tired. I've been up all night. Thank you very much.

Now, if you went down there, what you would have seen in one of those presentations – I looked it up on the Internet – is a map of a transmission line originating in the heartland and ending up in Buckley, Oregon. That was part of the plan anyway. That's always been number two on their list. Again, the idea that we are pushing electricity up to the heartland is not true. We are actually taking electricity south from the heartland.

One of the problems we have in our regulation and that this one does not correct, and it should, is that we allow private companies to build what they call market transmission lines. They can build their own transmission line, and basically they can put it in a great spot like the MATL line and just profit on a very short distance. It's a smart business plan. But the public, in correlation to or in comparison to that, are not allowed to build generation. Now, one of the things this province is struggling with is how to get generation located where it needs to get located.

The Chair: Thank you, hon. member.

I'll recognize the Member for Little Bow.

Mr. Donovan: Good morning. I'd just like to thank everybody and commend everybody for bonding in this House over the whole evening like this. Not to toot my own horn, but I got here and, boom, four bills through just like that in a couple of minutes there at 5 o'clock, so we'll see how it all rolls from here. I'd also like to commend the staff and the security that have been here all night. I guess we have the ability to trade off a little bit here, and, unfortunately, I'm not sure they do, so I commend them. And to the young gentleman that runs the *Hansard* mikes up top there: good on you for hanging in this long.

Now, it's an interesting bill here, Bill 8. This affects my riding quite a bit. We've identified that Bill 50 had some issues with it, and I think Bill 8 actually weakens the public interest provisions, according to quite a few different people. I'm not going to get into the public interest debate because I think we worked on it a little bit over Bill 2, so I'll lead on from that.

A lot of the surface rights boards are very worried and consider Bill 8 to be another attack on property rights. I know this is fresh to quite a few people around the table that don't see it the same way, but I guess the beauty of sitting in this House is that we get to debate all sides of what I might see as an issue and what some other people in this House, other members might not see as an issue. I guess the big question comes up of, you know, the needs assessments and stuff of what we're doing. Now, I see Bill 8 as good because it's going forward, saying that we need needs assessments on lines that are going forward from now, but ones that are already in the planning I guess I see as being pushed through.

Now, in Little Bow there's one line that AltaLink is trying to put through right now. It goes from Picture Butte to the Etzikom Coulee transmission line. Now, I know everybody in this House is very excited that all night tonight they got to listen to Mr. Anglin talk about Bill 8 and how it affects Bill 50. I was very fortunate to have the Member for Rimbey-Rocky Mountain House-Sundre come down to Coaldale and talk to some producers down there about power lines.

An Hon. Member: I bet you were.

Mr. Donovan: I was very lucky, actually, because when you sit down there and we get down to talking basic facts – now, I'm just a grain farmer in Mossleigh, dry land. I mean, to go around a power pole truly isn't as big of an issue for me as it is if you have irrigation. You get into that south potato belt between Taber and Coaldale, it's very intensive agriculture in there, and there's a lot of money people have spent and a lot of years getting drainage on their land correctly. They've gone to variable rate irrigation so they don't have flooding in the low spots. Technology has come a long way.

Now, that's great when you've done that, but then when all of a sudden a power line comes through and they're told, "It's coming through whether you like it or not," and you put it through the middle of a half section pivot – with wheel moves I guess people could work around that. I mean, irrigation districts have gone a long ways to do a better job now and be more effective, and wheel moves weren't the most effective way to irrigate. I know the minister of agriculture has had an opportunity to be down there and talk with a lot of producers, and he knows that, so there are people on both sides of the floor that are well aware of the time and the money spent by agriculture to be more effective and more efficient in what they're doing.

In saying that, when I was campaigning back in April, we had a forum down there, and the MATL line that was going down there was put through with no consultation and no needs assessment.

Now, when that went through – and the debate with me and the candidate I ran against down there at one of the forums was that, you know, they can't ever force something through. Well, I had three different people get up at a forum and tell about how the RCMP came in with court orders telling them they had to let that power line start. They had to let the MATL line go in and start constructing it. That's very intrusive if you're a farm owner and you have irrigation.

Now, in the one particular situation there's a feedlot which has been situated in the corner of a field so that the pivot can go around, the quarter section pivots, in the most effective way to get a return back on their farmland. The way the line was put through – and this is why the gentleman was so much up for the fight on it. The MATL line that was going in actually went right in the middle of that pivot. It effectively deemed that quarter, I'd say, useless to anybody, so of course he's going to fight for his rights on that. In saying that, he had the RCMP come in and serve him with papers telling him that he had to allow that line to go in.

5:40

I mean, it's like everything else. You wonder if it's true or not until you actually have a ratepayer, a constituent stand up and tell you that they had three cop cars, RCMP come in there and tell them: you have to let them go, or we will restrain you. Now, to me, that's a definite infringement. As well as the PC candidate that I ran against, who I respect very much, we were both in shock over it. You know, you hear lots of these things happening, but until you actually have a landowner come up and tell you that they were told they had to put the line in, there was nothing they could do – now, probably the most frustrating thing was the inability to be able to negotiate in good faith.

I guess at the end of the day, once you figure out that, okay, the line is going to be here, it comes down to money. How is he going to be compensated fairly for the loss of use and for the inconvenience of it for the rest of his farming life? Again, these are farms that have been there for, you know, up to 100 years. Some over; some under. I mean, people have taken a long time to get that land into the situation it is. They do proper crop rotations. They do proper drainage. They do very time-sensitive irrigation so that they get their maximum use, and they show that they are stewards of the land. In saying that, when you are told, "No; this is going through; there is no other way," landowners obviously get very concerned about that.

In saying that, this person has yet to be compensated for that tower that went in, which is probably one of the most frustrating things he's said that he's had in the last two years. He's yet to be compensated. The second most frustrating part is that they haven't even put the lines up on it yet. For the moment, right now, he's got a large tower sitting in the middle of his field, which has affected his whole farming operation, and they haven't even had the common courtesy to put the power lines back up, the actual cable to it to transmit down it.

Now, his point was that it's frustrating enough to get forced to put a tower in the middle of his quarter, which affected, basically, his whole pivot, his income, everything else, yet to be compensated for it, be told it has to go in, and then the most frustrating part is that they're not even using it. I mean, the pigeons stand on it and the odd bird, you know. Other than that, I guess it could be a great view if you want to go up there with a set of binoculars. But it's not even doing the purpose it was supposed to do.

These are concerns that happened in my riding which I'm aware of because I actually heard them. That was back in April. We spin the clock ahead six months, had the opportunity to talk to some more people back in July when the Member for Rimbey-Rocky Mountain House-Sundre came down to an open house. Still the same situation. Still nothing has changed on the MATL line. So I say we spin it forward to the line from Picture Butte to Etzikom Coulee, where they're talking about now putting lines in.

I fully understand the government in planning ahead. I mean, it's crucial to be able to plan. Being on county council I went to lots of land-use framework stuff. You know, you have to have a plan. I understand that. The key to a plan, though, is to be able to listen to both sides on what is in a plan. It's very easy for somebody else to come in and tell you, "This is how it's going to be," but it's a different side if you're not allowed any input to it.

Now, with the new power line they're talking about doing down there, they've ended up pitting neighbour versus neighbour because they come in with two different plans. In theory it's great: you have plan A and plan B. But if your neighbour is 10 miles away and that's where plan B is, your natural thing is to protect your own land and your vested interest, so you go to all the forums, you fill out all the forms, you tell everybody to go to plan B because that stays away from your land and goes over to somebody else's.

Again, we're dealing with pivots, not a lot of wheel moves down there because everybody has invested a lot of time and money into their farmland by going into low drip irrigation systems, which are the most effective, which goes back into why southern Alberta has, I'd say, an excess of water in their irrigation systems right now because they're that effective with it. They're not using the full allotted amounts they have. In saying that, there are lots of farmers now that are trying to get some more irrigation projects going because the economic turn back from irrigation is huge. We have the heat units down there, so it's very intense agriculture. I'm not saying that agriculture is different in the rest of the province, but with the heat units down there, there's so much willingness with the producers to sit and try different items. They have the potatoes; they have the beets. There are very large, intensive programs down there that are more highly intensive agriculture than you will find in a lot of the other parts of the province, and I think these people should be commended for that.

But when you go in there and you start telling them, "Okay; we're putting in a power line," that's going to truly affect how they've been planning their farm for 20 or 30 years. Most people have a plan on what they're doing on their farm. They're not just deciding to invest $200,000 on a pivot and an extra $80,000 on the variable rate technology for the irrigation drip nozzles on it. They're actually planning. Every good business should have a plan.

As well, this government should have a plan on stuff. Part of the planning – I think Bill 8 addresses that on the future power lines – is to have a needs assessment, the problem being that any of the ones that were put in ahead of that do not have to have this needs assessment. I think this is really where a huge issue came in this province between the government and landowners. It was due to that.

So you're sitting there looking at that, and you're the landowner, for instance, and you've got this power line that's been deemed to be needed down there, yet nobody seems to know. AESO was down there – back in, say, May or June they had an open house – and one of the things they did on that was that they were talking about, "Well, if there's ever a windmill farm put down in a certain area," and they had it shaded on their map, which was nice and warm and fuzzy. But the technology on that is changing all of the time. I think everybody in this House has seen that in different news articles and everything else on wind generation and how it's going to work or not work.

Now, I was lucky enough when I was reeve in Vulcan county to have Greengate technologies come down there. They're putting in a large wind farm down by Carmangay, in that general area where my predecessor, the MLA for the Little Bow riding, farms. They went in when they did their needs assessment and figured out where to put the windmills. They're putting a huge investment into that community, so obviously they're going to do their homework and figure out where they need to put that wind farm. Now, when they went in there, they talked to the landowners, got the buy-in first, got the community support, showed all of the economic positives to it, and they've literally had hardly any issues in that area in getting the landowners to sign up and allow the access roads and things like that.

Now, when Greengate came to Vulcan county to talk about it, the key reason they picked that area was the wind. You don't need a lot of wind anymore to make the windmills work. They've come in a huge, huge circle on that from what they used to have to have. When you look in Pincher Creek and area, everybody wanted that 50-mile-an-hour wind – not everybody, but the power companies did – because they felt that's how you had to run the windmills. Now, in this day and age they don't need that kind of wind, so they picked that area.

The second part of why they picked that area is because there are transmission lines there that could take the power that they're proposing onto that line. It had the ability to take that without having to put in new lines. You didn't need a new MATL line. You didn't need a heartland line. You had a line there that had the capacity to take the power that was being generated there right in. So then you eliminate the whole needs assessment, the whole fight for a new power line in that area – again, a huge issue – because then you have community buy-in.

The community buy-in should be great on these items. When you're talking 50 to 60 tandem truck loads of concrete to the base of one of those new windmills, that alone is a huge industry. In the county it's going to more than double the tax base, the actual taxable assessment in that county. Now, as a ratepayer in that county I think that's great because then we don't need to look at oil and gas all of the time and the linear taxes that come off pipelines to be able to do that. So it's a huge thing.

I checked wells for off-farm income for a while. That's how I supported my farm for a bit. There were some tougher years, so one tends to find extra work when one needs to pay bills, and that's been great. In our community I'd say that probably half the people are tied in some way, shape, or form to the oil patch, whether you're checking wells, whether you're a plant operator, whether you're plowing snow to wells, whether you're doing weed whacking and grass mowing at wells to keep vegetation down, or whether you're spraying. You're part of the process.

5:50

Now, in saying that, this is a whole new sector to that. Windmills need technicians to work on them. I had the opportunity to go through Lethbridge College here about a month and a half ago. There's an amazing program where they're teaching everybody down there how to work on the windmills, the whole rebuilding of them. It's great. I thank my colleague the advanced education minister. I know he's had the opportunity to go down through there. It's second to none down there, and it's another great thing in Lethbridge.

I'm sure everybody had the opportunity to deal with Team Lethbridge. The members for Lethbridge-West and Lethbridge-East are always very proud of what Lethbridge has to offer. I think it's a huge thing when you go into Lethbridge College and see the technology and see how industry is working with that college on how to train people properly. It's like everything else. If you have proper people working on it, you can be way more effective and get way more people to buy into the project. We have a situation down there where we have a college that's working with wind generation because they see it's a need.

Now, I guess I'll go back to the story of the windmills that Greengate is putting in at Carmangay. There are transmission lines already there. They picked that area to put in wind generation because there were already the power lines there to work with. There was no need to fight with anybody over new power lines coming through. That's a great idea. They have the community buy-in there.

In saying that, when we get down to this Picture Butte line, that AESO has decided is needed, they've shaded in an area down there, saying: "Well, there could be windmills in this area. We need to build the power lines so that if that ever happens, they have a way to generate back into the grid." I understand planning, but we're at the point where there's not even a company that has stepped forward and said that this is where they're going to put in lines. It's just that somebody sat there with a general land-use framework map, coloured in a nice green area, and said: "Yeah. You know, due to the studies we see that this would probably be a pretty good area to put in windmills and make some green energy out of that."

I think everybody in here is for that. I think we're all trying to make less of a carbon footprint. I think we're all trying to leave the country in better shape than we found it. I don't think there's anybody that can argue that. I think we've done a good job of that. I commend the government on the processes they've gone through to make that happen. The environmental farm plan was a key one. It's the little things. You know, you eat an elephant one bite at a time, and I think that's a key one. We've sat and we've identified the issues that we have environmentally in this province, and we're working on them.

[Dr. Brown in the chair]

I consider myself a steward of the land because I farm on it. It does me no good to hack up my land and butcher it in any way, shape, or form. I need to try to get the maximum return off that land but still not mine it. You need to keep it in good, balanced shape. Fifteen years ago we didn't do soil samples on what your fertilizer needs were. You basically went to your local fertilizer dealer. You put on your regular blend, whether it be 60 pounds N or 100 pounds N, some phosphorus, some sulphur, depending on what the needs were for the plant. It's a business. You pour a lot of money in. In my area – I'm just dryland – break-even is in that $200-an-acre range. It's not the old days, when $50 an acre covered all your input costs and you were good to go. You have a lot of money tied up in this. You sit and figure out what you need to do to nurture that and make it work.

You sit there and you look at the process. If you're south of that area of Coaldale and you're talking about putting in windmills, there's a lot of prime land in there. People obviously get on the defensive, having these products coming in here without a true needs assessment. That's what this comes down to. I commend this government for identifying in Bill 8 that there need to be needs assessments. The question comes in: why were there no needs assessments? Why was it skipped for so long in here? As a landowner and listening to constituents in that area, those are the same questions. I mean, the councillors in the MD of Taber now are quite concerned about this line that goes from Picture Butte to Etzikom Coulee. It's out by Barnwell. Now, they've worked very hard.

Out of time.

Joe, would you like to add anything to that?

The Acting Chair: The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair. I want to go after this bill pragmatically on the issue of HVDC versus AC. I know I've got the reputation of being – I think the hon. House whip said that I protested Ben Franklin when he first held the kite on a string. I teased him, and I said that I won that protest. We went to AC power, and I believe Ben Franklin had DC technology. I am in favour of electricity. It makes our economy run. It is important. It is extremely important, and HVDC technology is an outstanding technology when used appropriately. Absolutely. So is AC, but our whole system is AC technology.

I want to talk about the heartland because this is where it starts. I just want to give you an understanding that this is all based on fact. It's not something made up or assumed. What did the Alberta Electric System Operator, which is our AESO, say about the heartland? In their overview of the existing system when they filed their application on May 30, 2008 – that's the one that just got approved this last year – they said on page 9 under 1.2, "The Northeast region is currently mostly supplied by the on-site generation within the region itself." What that means is cogen. That's really what it is. Then it goes, "Because the region has more generation than load, the region exports energy to other regions." So, clearly, they're an exporter. The AESO says that they're an exporter. We know they have 663 megawatts of generation capacity, and their demand is 563 megawatts. It gives them about a 14 per cent reserve capacity. That's perfect, actually. That is actually correct.

Now, given the number of transmission lines that go to the heartland currently, since the heartland is self-sustaining, any one of those lines can fail and the heartland doesn't lose its lights. We know that's true. This idea that we have to build twin 500-kV lines because the heartland needs more power is not based on any evidence that supports that. It's just not there. If you say that it does, hon. member, show the evidence. That's all I ask. I know some of the people on this side of the House are more pragmatic in the sense that they want to find concrete evidence. So when the member over there says, "No, that's not true," I would rather see evidence than have someone just arbitrarily say it.

Now, if it were true – if it were true – do we spend $700 million to build a transmission line to bring power to the heartland or spend $263 million to build a 243-megawatt generator, which would increase the heartland capacity for electricity by 43 per cent? For half the price you could increase the capacity up in the heartland by 43 per cent. Why should the public, when somebody says that they need electricity, not have the option? Does a transmission line fit the need, or does a generator fit the need? The industry has the option of building a generator or a transmission line. What we're talking about is maximizing the public's money, and if we don't do that, then we're doing an injustice to the public.

[Mr. Rogers in the chair]

The facts show that anyone who says that the heartland needs more power is not supported by any other data. None. So why are we building that line? I'll tell you why we're building that line, and it's the most important part. It connects the two HVDC lines, and it connects that . . . [A cellphone rang] Hello. I'll give you a call in a second.

It connects that to what was proposed back in 2001. You will find that in the needs identification document that I showed you a little bit earlier. In the appendices of that document the oil sands developers wanted to export their excess electricity. Even back then, in 2004, people said: that's not a smart business plan; that's not economic.

6:00

TransCanada looked at building an HVDC line from Fort McMurray to Buckley, Oregon. They thought it would cost them about $6 billion to do that. Their assumptions were wrong. They decided not to do it because it was not economical. That now has changed dramatically because the Oil Sands Developers Group has decided they no longer want to export their excess electricity. They want to use it internally for their own future development. I have to tell you that that's what people were saying back in 2003, 2004. They have come full circle, and they have publicly come out and said: we do not want to export our excess electricity. That's a smart business plan.

Why are we building all these lines? If someone says that we have to build these lines to encourage generation, what I say to them is: show us the data that supports that. This idea of building a grid that has zero congestion is not logical. Nobody in the free world does it that way. Only Alberta has that policy, and it causes us to overbuild the system. That is one of the premises of why we're moving forward the way we are with this, but we're not getting a good return on our money.

To make matters worse, under normal conditions not only do we normally require a needs identification document, as I've just shown, but all jurisdictions – and this one used to – require a cost-benefit analysis so that when that application is filed, the regulator could look at how much money they're planning on spending to build a line and what is the payback. Where is that? Well, it doesn't exist because it's not required. Nobody undertakes a project of this magnitude without a cost-benefit analysis. No private investor would ever do that, yet we are planning on doing that. That's not smart. We should make a concerted effort to do the math first and do what's right.

When we get into the amendments, what we should do is look at what the plan is. That plan now has adjusted. We have a potential for hydro development north of Fort McMurray, up in the Slave River region. We have a lot of potential up in the Northwest Territories that could be developed. If that energy were brought down to Fort McMurray, it would free up, on initial estimates, 500,000 barrels of bitumen each year. This is what the oil sands developer estimates: half a million barrels of bitumen that would be available for the market. What that would do over 20 or 30 years is provide a payback on those transmission lines that you would hopefully build south from those hydro projects. [interjections]

Can you be quiet, guys? I'm tired, guys. I'm sorry.

On the payback, though, that's what you want to look for. In other words, you build a line; what's the economic payback? If you look at this, even if we were to develop the hydro potential to its fullest immediately, which is roughly $60 billion – but that would be staged – you'd get a payback of about $48 billion initially on the natural gas and the bitumen at current market prices. That's significant. That's what you want to look at on all these lines that have been legislated. What's the payback?

Now, I have asked the Minister of Energy: do we need an HVDC line on the eastern side of the province? The way it's designed now, I would say no, but if you connect that to an HVDC line that's going all the way to Fort McMurray, then you have a case. It's the distance that makes it economical. Is there an economical case for an HVDC line west of Rimbey from Genesee to Langdon? The answer is absolutely not. It's too short a distance. You create too much of a problem. The real drawback to that is that you're not using the benefits of HVDC at all. As a

matter of fact, the system loss for Alberta – and that's one of the things that I find offensive not from the political point but from the engineers, because they know better. Someone tells the politicians or cabinet that the system is bleeding when that's just absolutely not true.

When you look at the data on our electrical system, a normal electrical system loses between 5 and 7 per cent of its electricity. That's normal. We are under the normal range. We have a better-than-average system, and you cannot have an electrical system that's not losing electricity. That's called physics. Every time you put a generator on the system, you lose electricity. Every time you build another transmission line, you lose electricity. It's just a fact of life. If you run a line from point A to point B, the longer the line the more electricity you lose. It's just a fact of life. We deal with it. We're not going to build a zero-loss system. That whole idea of that policy of zero congestion – congestion is all about loss. In the end that's how you're going to measure it, and that's not possible. It's the dog chasing its tail.

What you do is that when you build a transmission system, you look at the system, based on your needs. It is congestion versus the cost of relieving congestion, and you optimize that where those two lines cross on the graph. What happens is that what triggers a transmission line to be built is when the cost of congestion rises to a point that it makes economic sense to build another transmission line to reinforce that area. That's smart planning, and that's smart management.

But to try to build a system for zero congestion: I always tell people it's like the road system. Our road system is similar to an electrical grid. All our roads are interconnected. Some are bigger than others. A zero-congestion road system does not make sense. We have stop signs and stoplights that cause congestion. We have accidents that cause congestion. You would not build a road so wide that you would never have a problem because in theory you can't make it work anyway. You have an accident; you have a problem; you have congestion.

It's true in a transmission system. You can try to build a zero-congestion system in theory, but it is impossible. It is not practical. You will always, inevitably, have a problem. It is the nature of the business. So we build a system that operates to the most efficient level, and we're not doing that. We have a policy problem that has not been addressed.

Dealing with the heartland issue, the people in the heartland, the people that have the most at stake, Alberta's Industrial Heartland Association, are absolutely opposed to the project. They believe it is grossly overestimated. They wrote that in a letter and submitted it.

Ms Fenske: Table it.

Mr. Anglin: I did table it. It's already tabled.

An Hon. Member: Read it.

Mr. Anglin: People need to read the evidence. They testified at the heartland hearing, and it's in the transcripts. It's in the record.

Mr. McAllister: Mention the member that's speaking so it's on the record.

Mr. Anglin: I don't even have my map in front of me. You mention it later.

This is important when we get down to the hearing process. Here we have a system that we're building, and nobody in this House has any evidence . . . [interjection] Oh, the hon. Member for Fort Saskatchewan-Vegreville. That makes sense. Unfortunately, it would make sense if you'd look at the evidence.

We're not talking tens of millions of dollars. We're not talking hundreds of millions of dollars. We're talking half the annual budget of this province. That's a lot of numbers. Right now the AESO estimates that in their long-term plan at $16.6 billion. Now, when the AESO says – and we do this every time, and I believe it was just done on the eastern line – that this is only going to add a $1.40, $1.60 to your electric bill, that is not a true cost. What they're doing is looking at the wires and towers and saying: if I pro-rate that, I can get that figure way down. But that's not how you get billed.

6:10

You go home and look at your electric bill and flip to page 2 or page 3 and look at your transmission charge, and when you look at that, you will notice that you're being charged about $10 or $12 for every $100 your bill is. If your bill is $200, you're going to see $20 or $22 on that transmission charge. That's based on roughly a $2 billion asset. This province is proposing to add an eightfold-increase investment. The question I've always posed to the AESO: if that investment goes up eightfold, how does that charge not go up eightfold? For the average consumer bill it would double.

Now, when this first started, I had predicted that bills were going to double, and they did and they have. If you were part of the central Alberta REA or the southern Alberta REA, those transmission charges have already gone up 100 per cent. None of these lines have been pro-rated into the bill, and nobody can explain to them why. Now, there are a lot of reasons why, and hopefully when this report comes out from the hon. minister, we might be able to get to see some of those reasons because it has a lot to do with the ancillary costs, and they're significant.

It's a very complex formula on how we actually pro-rate those transmission charges, but it's not based strictly on the physical plant. There's loss that's based into that and other factors that the AESO allows to be pro-rated into that cost. This is significant. That's why the Industrial Heartland Association, that's why the industrial consumers' association, which is responsible for basically paying roughly 60 to 80 per cent of all electricity costs in this province, opposed this. When you talk to industry, they're not shy about this. Residential is 20 per cent of usage. Industry is 80 per cent of usage.

Claims that southern Alberta is going to need more electricity are actually quite ironic because when you look at the data, the demand from residential growth, although we are growing in population, is not really moving very far. It's slowly climbing but not to the degree that the normal demand of 3 per cent is growing. When you look at the AESO chart, it's quite flat going all the way out 20 years.

Now, there's a theory behind that, and I believe there's a very good reason for that. The projections were originally made before a lot of advancements had happened in what they call demand-side management, and that is that your appliances are getting more efficient, people are going to more efficient light bulbs – that's significant – and the fact that people themselves do conservation measures. Even though we're adding more homes and our population is growing, it is the demand on our industry that is growing leaps and bounds, not the residential market.

Where is that industry? It's northeast of Edmonton. That's where our industry is, yet the bulk of the lines are south of Edmonton. By the way, the heartland line goes from the Ellerslie substation to a brand new substation in Gibbons and connects to what? An HVDC line that ends up in Brooks. It gets one feed at a 240 level, and that's it. That is proposed at a later date.

The idea that the heartland needs power is not based on anything that is proposed in the existing plan. We have a conundrum, and the conundrum is this. You have the ability to correct this, before we expend a tremendous amount of money, and do it right. We need to build transmission lines where we need them, and I have to tell you right now that we're not building those transmission lines. Industry will tell you that there are some industry projects that are still waiting for transmission lines to be built, to be connected, and we are focused on this so-called backbone that is absolutely not going to be necessary. The current transfer rate between Edmonton and Calgary right now is 2,200 megawatts. That's our current transfer capacity. Our transfer rate is 800 megawatts. Over the last three years it has dropped, and it continues to drop.

Now, what has happened? Well, we've actually developed more generation down south, and that's what was predicted as far back as 2003, but the big factor coming in: there's an 800 megawatt plant ready to go online in about two years or 18 months, depending on the Shepard plant completion. Once that goes online, the necessity to transfer electricity from Edmonton to Calgary, from Genesee to Langdon dissipates. We will probably be shipping power north to Red Deer.

Now, the other factor that was never factored into the decision is that we have a federal mandate, or a federal plan, for what to do to our coal plants, to either retire them early or force them into what's called gasification combined cycle.

The Chair: Thank you, hon. member.

I recognize the Member for Lac La Biche-St. Paul-Two Hills.

Mr. Saskiw: Thank you, Mr. Chair. Just going back, of course, we're discussing Bill 8, which is an amendment to Bill 50. Throughout the election and previous to the election Bill 50 was a hotly-contested piece of legislation. I had the opportunity prior to the election to work with a group called VALTOA, which I'm sure the hon. Member for Fort Saskatchewan-Vegreville knows quite well. This is a group of landowners out in the Vegreville region. When they first started out, you know, a typical thing: they weren't sure exactly the process for transmission lines. They weren't sure what the government was doing.

At first, when the government decided to build a whole bunch of lines through a bunch of their property, of course they didn't want those lines on their property. It was more about: "Okay. This is on my land. I don't want it there." Eventually, after they became educated on the bills – and it does take some time to go through all the details, as my fellow member has indicated – looking at whether these lines were needed, that's when they said: "No. We don't need these lines altogether. There should be an independent needs assessment done by experts." That sounds relatively simple.

Instead, what this government did was that they put a decision to build $16 billion worth of transmission lines – $16 billion worth of transmission lines – to this cabinet here. I don't know where the expertise on electricity and generation is within that cabinet. I think Albertans were rightly shocked and outraged by that decision. This amendment fixes that ridiculous decision to give all the power to these cabinet ministers. It fixes that. The problem is that it doesn't go retroactively to actually stop the building of these transmission lines through that flawed process. That's the problem here. They came up with a flawed process of having some group of cabinet ministers sitting there and deciding this.

This decision wasn't just, you know, on a whim, that all of a sudden they decided to build this. This decision to push forward these transmission lines happened a long, long time ago. I recall meeting with the former Premier's chief of staff Ron Glen, and even at that time, five years ago I think it was, they were pushing about the need for transmission lines: we need to get these built. It always sounded a little bit suspicious. If there's a need to build transmission lines, go to an independent body, the Alberta Utilities Commission, who has the expertise, provide actual evidence that these lines are needed, and then build them if they're needed. Build them if they're in the public interest.

Instead, what they did was that they gave that decision to a bunch of cabinet ministers. It's just absolutely incredible. You know, I'm not an electricity expert. I shouldn't be making a decision on $16 billion worth of transmission lines. But these cabinet ministers, the Government House Leader must have been there deciding: "Oh, yeah. We need these lines." On what evidence was that based? No reports, no evidence.

Mr. McAllister: But they'll never do it again.

Mr. Saskiw: But they'll never do it again.

We're starting to see some of the results of this. We see record electricity prices. That's why I think this debate is very important. You go to the average Albertan. They get their power bill, and now they're starting to see the effects. Even though, of course, this government is mortgaging our future, we're starting to see the effects even right now on power bills. When there are these massive increases in power bills and you see $16 billion worth of transmission lines getting built, you start to put it together. The government's record on this is skyrocketing power bills.

I think one of the questions in the next election is going to be: do you want higher power bills? If you want higher power bills, vote for this government. You know, we've already seen the results of that.

6:20

The other big problem, of course, is the extinguishment of property rights that was in Bill 50. Previously if a landowner had their land taken away, they would have legal recourse under the Expropriation Act, and under the Expropriation Act there are a whole bunch of classes of compensation. If you had to move your family from that land, you'd have your moving costs reimbursed. If you had to prematurely get rid of your financing on that piece of property and there was a penalty associated, you would get those costs reimbursed. If you had a business on your property and as a result of a government decision to take away your property you lost business revenue, that would have to be reimbursed.

Well, what this government did is that they took the Expropriation Act out, so landowners no longer had those rights. The government can unilaterally take away someone's property rights without full compensation and without recourse to the courts. The compensation side is in the Expropriation Act. Then in terms of recourse to the courts what they did in Bill 50 was introduce what we call in law a privative clause, which prevents someone whose land is affected from appealing to a court. That's what this government did. So you have a landowner whose land is being taken away, transmission lines are going right through it, and you no longer have rights to the Expropriation Act, and you no longer have a right to go to a court to defend yourself when your property is being taken away. That's the legacy of this government. That's why so many Albertans in rural Alberta were upset when they learned about it.

I guess the problem is that it takes some time to learn about these things because you assume your government isn't going to do that to you. It takes a lot of education. It takes town halls. It takes the information getting out there. But I can tell you that as a result of this ridiculous Bill 2 and other bills on the property rights

side, not the overall concept, as a result of the further extinguishment of property rights and as a result of this debate today, I can assure you that Albertans are going to wake up today seeing that the Wildrose is defending landowner rights. We will keep doing that. They're going to be interested, and they're going to learn about what this government has done to property rights in this province. I think that's what's going to backfire here.

Going back to the transmission lines, what also happened, of course, was that we saw some estimates of what these transmission lines were going to cost, but this government in Bill 50 – and this is just so absurd when you read this bill. There were no limits on the cost to build these transmission lines. So we already have massive cost overruns – massive cost overruns – sometimes double or triple the estimated cost for the transmission lines. What's going to happen, of course, and we're seeing it, is: power bills are going higher. Constituents come to my office and they ask me about their power bills, and I say: "Well, look. Bill 50 transmission lines. Not only are they going up; they're going to continue to go up." Four years from now, when the bills are even higher, when they are a record high in the country, that's going to be a big issue, I can assure you.

It makes Alberta less competitive. We used to have this thing called the Alberta advantage: low tax bills, the best health care, low power bills, low regulation. All of that's been completely evaporated. Part of that, of course, is the cost of doing business. If you're a small business and your power bill doubles or triples, your cost of business goes up, and it's less competitive. I've talked to owners of prefabrication companies. Some of them are doing well; some of them aren't. What they continue to tell me is that if these power bills continue to go up, they're going to move out of the province. Why build them here if you can go to another province and have electricity, which is a huge input cost for them? Why build them here? Build them in another province, and if the dollars make sense, ship them to areas like Fort McMurray. That's what's happening here. Alberta is much less competitive as a result of Bill 50 and as a result of the government ignoring what I think were very legitimate concerns from landowners as well as the business community.

The funny part of the government's messaging in this is that these transmission lines are needed for the province. They're needed for industry and all that kind of stuff. The problem with that argument is that some of the largest groups that consume the energy, whose whole business depends on electricity, said: "We don't need these transmission lines. This is a massive overbuild. We don't need this amount of transmission."

Their so-called evidence that this amount of lines was needed was totally negated by industry, whose business and lifeline depends on electricity, and, of course, was negated by just a complete lack of evidence. You don't go to the Alberta Utilities Commission, which has the actual expertise. No. This cabinet here decided to build $16 billion worth of transmission lines.

I think what's going to come out is that the building of these lines is going to be one of the biggest mistakes of this government. It's going to be interesting eventually to dig through how these transmission lines actually came about. There's a lot of profit that's made on these lines, of course. The utility companies, you know, get their costs reimbursed plus a certain guaranteed rate of return. It will be very, very interesting to see several years ahead how these decisions were actually made, who was lobbying whom, what money passed where.

Going back to the idea of cabinet deciding where these lines are, the problem with all the bills – 19, 24, 36, and 50 – is that you took the power away from the people or independent commissions and put all of that power into cabinet. All of that power into cabinet. No matter how smart these cabinet ministers are, you should not put that inordinate amount of power to those decision-makers. You should not give them the power to decide to unilaterally extinguish property rights. You should not give them the power to unilaterally decide how many transmission lines should be built in this province. In no other jurisdiction in Canada or North America do they actually take the decision on transmission capacity out of an independent commission and put it into cabinet. No other jurisdiction does that. Except they did it.

Now, this bill amends that ridiculous decision, but what they were saying to us when we were arguing this previously was that of course cabinet should decide that. Clearly, they were wrong. It's nice to see that they've admitted in this bill that their previous legislation was an absolute failure. That's what this bill is. This bill is demonstration that they've failed. They've failed Albertans. The unfortunate thing is that the amount of damage that previous bill has done is going to affect future generations for years and years to come. We're only starting to see that. We're starting to see it in the power bills. We're starting to see it in the massive cost overruns on the initial transmission lines that are being constructed. If you look at that number, $16 billion of untendered contracts were decided by this cabinet. They should be ashamed of that decision.

Going back to the group in Vegreville, you know, the Member for Little Bow talked about one of his constituents who was threatened with a restraining order and the RCMP coming if he didn't get off his land for a transmission line. I think Albertans could forgive the government for coming on their land. We all understand that some public utilities are needed. I think all Albertans could say: okay; if this government had actually gone to an independent body with expertise and completely demonstrated that these transmission lines are needed in the public interest, they're actually needed for our province to grow, then I think Albertans could forgive the government for all these other things: the unilateral extinguishment of property rights, the elimination of the appeal rights to accord. I think they could forgive that.

6:30

What happened, of course, is that they took that decision, that is normally made by independent utility commissions, and they put it into cabinet. It is not done in any other jurisdiction. We know that they may be called by different names if you look at the state level in the United States, or different provinces will call their commissions different names. But not one of those jurisdictions ever took the decision to build transmission lines out of their decision-making power into cabinet. Not one of them did that. The reason is because cabinet doesn't have that expertise. They absolutely have no clue.

We actually saw presentations that were provided to cabinet, and in those presentations industry said: we don't need these lines. The conclusion of industry – these are big players. These are Shell and other industry players that are involved in an association that specifically deals with transmission capacity. I can't remember the name right off the top of my head. It's the Industrial Power Consumers Association. These are big players. They consume a large amount of power in this province. They said that these transmission lines aren't needed, and the bottom conclusion is that the losers will be Albertans and ratepayers.

To think that through, you have the major industry players in this province saying that these transmission lines are not needed. This amount of transmission capacity is going to make Alberta less competitive. But what did cabinet do? Well, at that time it was pretty clear that they were whipped. They were whipped on the vote to have these transmission lines.

I remember when I used to be on the dark side and was chairing a meeting at a policy conference for the PC Party, and it was on Bill 50. I was chairing that meeting, and there were debates amongst the membership at that point in time. People were starting to look at this legislation and say: "This is completely ridiculous. Why are we going ahead with this? Why are we doing this?" Even at that point they were questioning it. They were starting to question it. They weren't in that groupthink mode that people can get into. So we were having the vote on Bill 50 because some constituency association had put forward a motion to repeal Bill 50. That grassroots process. What happened? You saw right before the vote cabinet ministers rushing people into the room to make sure they voted to keep Bill 50. Instead of having, you know, grassroots democracy at play, you had cabinet ministers rushing people in to make sure that this legislation went forward.

It was an interesting vote because it was so close, actually. It was basically a 50-50 split. The room was so packed. Normally if it's so close, you do a standing vote like we do here, but the room was so packed that everyone had to basically stand, so as chair it was a very disruptive meeting. But eventually it was literally a one-vote victory to keep Bill 50. Going back in time, it would have been really interesting to see what would have happened if a constituency association had actually passed that motion to repeal Bill 50 and we hadn't continued along this dangerous path of building these transmissions lines without going through the independent needs-based assessment.

The other thing that we had heard throughout the election and previous to the election was that the way of the future is actually cogeneration, generating the power closest to the source. Rather than building these massive transmission lines to have power go all over the place, you actually have cogeneration in the area. From my discussions with many key stakeholders and industry players, that makes a lot of sense in a lot of areas. One of our members had indicated that up north the industry there is force-generating their own power, and they're going to consume that power for their operations. In many instances they have the capacity to export that power.

Instead what this government was trying to argue was that somehow the north needed all this power sent to them. That's just completely false. It's a complete falsehood that these companies needed power to go to them. They generate their own power. What's going to happen now that power bills are going through the roof? What are they going to do? They're going to go off the grid. What's going to happen when all these big companies go off the grid, generate their own power?

Thank you, Mr. Chair.

The Chair: Thank you, hon. member.

I recognize the Member for Fort Saskatchewan-Vegreville.

Ms Fenske: Thank you, Mr. Chair. I just have to get up and at 'em. I wasn't planning to do this today. This is usually the time I'm turning over to get up. I want you to know that it's much easier to stay up all night than to have to get up in the morning, in my books. I realize that I will have several opportunities to speak, as was evidenced through the night with other members, so I probably won't get everything out in this one fell swoop.

The Member for Little Bow tabled some information on a motion that was taken by Strathcona county council when I was actually on that council. That particular motion, which was tabled – originally council was determined to ask that all of Bill 50 be rescinded. However, council saw the light, that there were some things in Bill 50 that really did not have to be rescinded. As the Member for Little Bow did mention, I like to do my homework thoroughly and represent my people, so there were questions.

In representing the people, we, too, at that time had questions on what the requirements would be because life had changed from 2008, when there were going to be eight or 10 upgraders in the area, to 2011, when there really was only one at that point in time. We did reasonably question that, and what that led to was that the government did take a relook at the actual needs. In February of 2012 the Powering Our Economy: Critical Transmission Review Committee report came out and again restated that there was a need for power. I would imagine that this report has been tabled, but I will table it again at the next opportunity.

Mr. Anglin: It's tabled. I tabled it.

Ms Fenske: It's tabled? That's excellent. It does say that we do need power.

Now, the other thing that came up was that I needed to do my homework because as the Member for Rimbey-Rocky Mountain House-Sundre said, a lot of this information started in 2001, when Alberta's Industrial Heartland was struggling to be identified. It was actually an idea whose time had not yet come. Alberta's Industrial Heartland, that particular organization, happens to be the member municipalities. It is not the industry component. They actually aren't the industry. That would be the NCIA, the Northeast Capital Industrial Association, who does not have an official position on power requirements.

I'm trying to get an education on all things with industry because it certainly relates to my area, so I had an opportunity to speak with people from the North West Redwater Partnership Sturgeon bitumen refinery and to ask them some questions. One of the things, of course, we all talk about is cogen. My question to them was: well, what about cogen? They said that companies now have changed their processes so much that if they are not utilizing all of their steam in their process or just having small amounts of low-grade steam excess, they are not efficient. Just like the way electric light bulbs have changed in efficiency, so, too, has how refineries are built.

6:40

Then I asked them: well, what is your position on the need for power? We need to know that, noting that it doesn't happen overnight that you can actually get transmission lines built. We do have to have some planning. I would like to read to you an e-mail that they sent to me, and I will table that at the next opportunity as well.

> Dear Ms Fenske,
>
> I understand you are seeking to understand concerns regarding power requirements related to the development of the North West Redwater Partnership (NWR) Sturgeon Bitumen Refinery. I am pleased to offer you the following statements of fact related to our project power requirements;
>
> - Process power supply for the NWR Sturgeon Refinery will be 240 kV, 3 phase
> - AltaLink will be constructing a new Substation to serve the NWR Sturgeon Refinery, to be located on NWR project lands within SE18-56-21-W4. This substation will be dedicated to the power needs of the NWR facility
> - A relatively short (approx. 5 km) segment of new 240 kV transmission line will be constructed from existing 240 kV infrastructure near Shell Scotford facilities, directly to the substation within the NWR Sturgeon refinery. Much of the routing of these new transmission lines will be shared with existing 138 kV lines that serve the existing substation near the Agrium Redwater facility

- The new 240 kV transmission lines will be sized to handle the eventual power demands of three phases of the NWR Sturgeon Refinery, although the power flowing through the lines initially will be limited to the needs of phase 1 of the facility
- Through the processes of the Alberta Electric System Operator (AESO) and the Alberta Utility Commission, a "needs identification" review was completed, and it has been confirmed that the existing Heartland power grid is sufficient to provide the power needs of phase 1 of the NWR Sturgeon Refinery
- Through this same process, it has been determined that the Heartland power grid as it is today is unable to provide the power needs of phases 2 and 3 of the NWR Sturgeon Refinery, and that a reinforcement of the Heartland power grid is required to be completed before commitment can be made to provide such power
- As the design for all three phases of the NWR Sturgeon Refinery has been determined by the Alberta Energy and Utilities Board Decision 2007-058/Approval No. 10994 to be in the public interest, NWR will be expecting that sufficient power . . .

Let me repeat: they will be expecting that sufficient power

> . . . will be available from the Heartland region power grid for the development of phases 2 and 3 of the facility. NWR has been working with the AESO to ensure that these power needs have been identified, and are on their load forecasts. Any failing of the Heartland power grid's ability to provide such power to phases 2 and 3 of the NWR Sturgeon Refinery would result in severe economic impacts to NWR and the economic benefits we bring to the Heartland region, the Province, and the Country
>
> I hope this brief backgrounder to NWR's power requirements helps you understand our current and future needs. Please contact me if you have any questions re this.
>
> Sincerely,
>
> Doug Bertsch

As I said, I will table that to show that we have to be thinking beyond what we have today because we've heard loud and clear from industry that if we do not have the infrastructure, they cannot and will not locate in our province. That's why planning comes in handy.

I know that a lot of us have been looking forward to a pipeline, whether it goes east, whether it goes south, or whether it goes west. Those pipelines, once they are in the ground, will require power, several 500-horsepower motors, to be able to push whatever product it is they're pushing to that market. I've been told also that that is going to require a considerable amount of electricity. If we want to get our product to market, we are going to need to have that power in place.

So I was with many of you and questioned the need. The answer came back that we do need power. It came back through the Critical Transmission Review Committee report. Frankly, as I've heard our former Premier say many times, I don't want to be without power when it's minus 40. I leave that with you. I'm sure I'll be speaking to some of these things again, but I just wanted to have that information available.

Thank you.

The Chair: Thank you, hon. member.

I'll recognize the Member for Little Bow.

Mr. Donovan: Thank you, Mr. Chairman. I have just one question. [interjections] I never thought I'd hear anybody cheer me on to talk. Yeah.

First off, I'd like to thank the Member for Fort Saskatchewan-Vegreville for clarifying the issues. I've known her for a long time, when she was on council, and she's always done that. She's always stood up for her constituents as a ratepayer at the time when she was on council. I commend her for that. That was just the one thing.

A quick thing. We talked about biodigesters and people going off the grid. The clarification is on that. I know a producer down by Taber that's trying to put in a biodigester to use potato waste. They're not even tying into the grid, yet they still have to pay the transmission fees back into the system for every kilowatt they make, which baffles me because it's not even getting tied back into the grid. They're using a totally closed circuit for their own thing. I don't know how that works. If somebody ever has the chance to clarify that for me, it would be great. They're running into a ton of red tape trying to put in their biodigester to be able to make energy. That's great. I think everybody wants that. They have to pay it back, and it seems kind of like a fee on that.

On that note, I'll sit down for a second because I believe my friend from Rocky Mountain House would like to add something.

The Chair: Thank you.

Mr. Anglin: The hon. Member for Fort Saskatchewan-Vegreville makes a very good point. We should be building the transmission lines we need. The heartland line does not connect internally to the grid system on a 240 system in the heartland. That doesn't happen. It's a 500-kV twin circuit going to Gibbons. It doesn't connect where she's talking about. This is why I say that we have to look at this. We have to really take a good look at it. She's correct: we need to build the lines that we need to build. No one is arguing that.

Now, what you need to understand is this. The fact is that the heartland has more than enough capacity generation to serve itself. All the transmission capacity coming from the Wabamun area through Ellerslie and around the north side of Calgary amounts to – and you have to look at it at baseload, not at theoretical, because if you go to the RETA website, they'll get angry with me when I give you what's called baseload – roughly about 1,800 megawatts, maybe as low as 1,500 megawatts on baseload capacity going up there. That's huge. That's a tremendous amount. The heartland has 663 megawatts of generating capacity, and its ability to import electricity, if it needed to, from the Edmonton area is roughly well over a thousand megawatts. Now, the way I said it, RETA would get angry with me because on the theoretical side it is right off the chart, but we want to deal with some conservative figures.

The hon. member is correct. Individual companies are not getting connected up properly, so when they talk about that next phase, they will need another 240 line. I don't disagree with that. What I'm saying is that you've got a 500-kilovolt DC line that that can't connect into. It's not there. It's not in the plans. That's DC, not AC. That 500-kilovolt DC power line costs a billion dollars more than what an AC power line costs. Boy, could we use that money elsewhere in infrastructure.

I tell you that we have another line over in the east: same deal. That's not up in the heartland. We have oil sands projects that are not getting connected, and we know about that. All you have to do is talk to AESO. What we're doing on this plan that she pointed out here, Powering Our Economy, is an embarrassment. This is an embarrassment because what they didn't do was look at evidence. What they did was that they just took the assumptions from . . . [interjections] No. I'm serious. You're an accountant. I would expect you to really go with the numbers.

They should have looked at the evidence. They should have gone back and said: this is the evidence we looked at. They didn't do that. They just took the assumptions that were the original assumptions on what they thought was going to happen. That didn't work.

6:50

I've got to tell you that this document relies upon that needs identification document. It says so. It relies upon the original needs decision, which has been vacated. I have to tell you that the coauthor of the plan that it relies upon, which is the 10-year plan – that's what this is – says: in my opinion, it would not be in the public interest. He has rescinded what he has written. The reason he did that is fairly basic. It's not a big deal. What he basically was saying:

> In my opinion, especially with the change in the gas market and the emergence of low-cost shale gas which has a 30-plus-year life, gas generation is going to be the generation of choice, and gas generation sited at the point of load is much more economical than transferring power on transmission lines.

That is right from the author of everything that this government is relying upon. I'm not asking you to make a decision based on the facts that I'm giving you or the facts that the hon. member is trying to quote. What I'm trying to tell you is that when you hear the difference, you should be willing, given the amount of money, to take a real hard look at this. We were told the lights were going to go out by 2009 – so did Ed Stelmach – and the fact is that here we are, and the lights are working. They're working just fine because the assumptions of the AESO were not valid assumptions. They're not assumptions that you should be building transmission lines on. You build a plan on that, and that's important. There's a difference from actually triggering a transmission line.

Now, here's where you need to investigate, and you should. The package is a $16.6 billion backbone. The heartland line in that package was originally $240 million, $260 million. It is now up to $700 million. The southern Alberta transmission reinforcement, which was a 240 closed-loop system, was originally estimated to cost $1.2 billion. It is now expected to cost $5 billion. We haven't started the HVDC lines. They have not started. Every line that AESO has ever estimated has more than doubled in cost.

That should cause you some caution. You should be willing to at least look into that because, I have to tell you, everything has changed. I don't dispute that a project in the heartland area needs power, but what you have done doesn't fix that. It doesn't address that issue. That's the problem. That's a lot of money to not address what she says is an issue that needs to be addressed, and that's the difference. When she talks about a 240 system, you're talking barely $200 million, $300 million. We're talking about spending billions, and the need right over here might be $120 million to $300 million, depending on the exact project. I don't know the design. That's why you need a needs document. That's why you have to look at how you're going to provide the system and build on the system.

To approve these types of projects and not go through the whole process of determining what's best in the public interest, you can go left or go right in the wrong direction very quickly, spend a whole lot of money, and not have a whole lot of gain. That's a real problem, and that's a waste.

What we have going on here right now is quite simply this. The lights are not going out, and the AESO is not even telling you that anymore. They're not going out. We've actually developed some generation. Do we need to upgrade the backbone between Edmonton and Calgary? It still is a possibility, but you should require that somebody prove it. That's absolute because the Industrial Power Consumers Association will tell you that you probably should reinforce between Ellerslie and Sheerness. That was their first recommendation. Is it a valid recommendation today? I can't tell you that. You need to rework the figures. This is 2012. But if you say that we need an HVDC line, nobody has done their homework on that. That costs an exorbitant amount of money, and there's no gain. There's no gain, and it does not help what she's proposing in the heartland.

We need to look at this pragmatically. We need to look at this in a very fundamental, pragmatic, quantitative, qualitative way. What the engineer has told us now, who authored every document this government and, by the way, this panel relied upon, which they've never read by the way – they didn't do it. They just took their word for it. That's wrong. When you're talking billions of dollars, that's not sufficient. Somebody needs to dig in deep and start to rework the numbers to find out if it's actually worth it. I have to tell you that it's not.

There's nobody here that can convince anyone in the industry because the people in the industry won't even step up to take credit for it. It's like: who came up with the idea to place a 330-kilometre HVDC line? Whose idea was that? When you go to AESO, they blame you. When I talk to cabinet and I talk to the minister, he says: "No, no. AESO said." We get this circle going around. When I go to AltaLink, I say: "Come on, guys. Who really came up with this idea?" They like to throw up their hands, "Not us," because the engineers are embarrassed by this. You should wake up to that fact and question these people because there's a lot of money riding on this, and there's a penalty here for our economy that's unnecessary. We should build the right lines.

In the member's case that project needs to be looked at. They do a needs identification document. Where that grid needs to be reinforced, she's probably correct because it's a 240 system up there, so they would reinforce the 240 system. That makes sense. But there's more than enough power up there, and there are more than enough transmission lines if we need to push power up there. We're not. We're actually exporting power from there. You need a triggering mechanism to build these massive HVDC lines. Otherwise, they go underutilized, and that's a waste of money. You want the most efficiency you can get out of the transmission system. That's what makes this economy hum. I mean, we can go back and forth, but this information – we need to deal with what is factual.

Where that generation is potentially growing is one thing. Where it is and what has actually grown is another. We know that. We know generation has developed down south, and we know the whole system has changed on that schematic. This is what was tabled by me, the 2009 plan. You can see from even across the room that it is a straight line for the projected future for residential growth. That whole idea that we're building these for residential: it's not real. We should be building this for our industrial, just as the member has said. We need to be building it in the right place, not in the wrong place. That's the key. That's the key.

I have to tell you that there are good engineers at the AESO. There are good engineers at AltaLink and ATCO, and they come to me because they don't have whistle-blower protection, and they actually feed me information to give me . . . [interjections] I'm sorry, but they did. I've got all the data, hon. minister. The knowledge is good here.

I will tell you this. The problem for the AESO is simply this. I was a fibre-optic transmission engineer, and I understand the planning mechanisms behind this.

An Hon. Member: You're wrong.

Mr. Anglin: I know; you always say that I'm wrong. I'm embarrassed that an accountant can't figure this out, that numbers matter.

You don't need to be an expert in electricity, but you need to have some fundamental understanding of how much money is being spent. This is an incredible expense, as the Industrial Power

Consumers wrote the entire PC caucus, I think, two years ago. They wrote that letter. What they wrote the caucus is that this is mortgaging our children's future, this is going to make us uncompetitive, and this is going to cost jobs. That testimony came forward. It came forward by Alberta's Industrial Heartland Association, in particular Mr. Ted Johnston of Alberta Food Processors, which is an extremely large employer. AltaSteel has said the same thing.

The hon. Member for Whitecourt-Ste. Anne tabled a letter from Alberta Newsprint up there. They said in that letter that was tabled in this Assembly that they could not handle their costs doubling, that that was going to be problematic. I know what they're doing right now, as a lot of companies are doing. They're looking to cogenerate so that if they have to get off the grid, they can get off the grid. They are sitting down, trying to make the numbers work. If they are able to get off the grid, that means more of those costs have to be passed down to whom? Those small businesses and the residential.

This has real implications that spread beyond what is initially going to happen. Someone has to listen. I realize some of the members can be mockingly . . .

Mr. Dorward: Mockingly?

7:00

Mr. Anglin: Thank you, Member for Edmonton-Gold Bar. I wasn't referring to you, but I'd be happy to do that.

This is a real problem. This is a lot of money. It's half the annual budget of this province. That's not small change. That's significant. If we go forward with that, that gets passed on to every electric bill. I know that the information is that the bill would only go up $3.40 or $1.40 – I get all those figures – but that's not the truth. They're looking strictly at the material cost, not the overall cost, what's called the loaded rate, for dealing with that. We are looking at the average residential bill doubling again. We are looking at commercial being hurt more, and commercial is small businesses. Those small businesses pay a larger portion than the residents. Then our industrial, of course: for the most part the cogens are probably going to be safe, but those that don't cogen are going to be in serious trouble. That's not good for our economy. We need to get value out of these transmission lines, and someone needs to look at that to make sure we get value out of these transmission lines. We have to build the transmission lines we need. We don't need to be building transmission lines we don't need.

That's the difference between my argument and the hon. member's. She's advocating for transmission lines that we need. I believe that. We need that. We need to reinforce that 240 grid that she's talking about. The backbone of the system that the government has embarked upon is a 500-kV HVDC system. You just can't tap AC power off that. You have to go to the converter.

They're proposing to build a 500-kV AC twin-circuit system all the way up to Fort McMurray, but it's in the wrong place. Even industry says that that should come down to the heartland. You can't move that unless you change the legislation. That's why it needs to be looked at. Even the southern Alberta transmission reinforcement: all that has changed since they started that. They are overbuilding that system. We're not getting a very good bang for our dollar down there at all. It is really a problem.

The idea that we build in advance of the need has been in my view misinterpreted. That need has to be an economically triggered mechanism. In other words, as the hon. Member for Fort Saskatchewan-Vegreville says, you get a project that starts phase 1 and is looking to complete phase 2. There's that triggering mechanism. If you see an investment that people are making, you can build those transmission lines. One thing you have to remember is simply this. Transmission lines do not create electricity; they only move it from point A to point B. If you need electricity, generation is the most economical way to get your electricity. It creates more.

By the way, the generator that went in at Clover Bar was ahead of schedule, under budget, $263 million for a 243-megawatt generator. That's significant. Even down at Shepard the 800-megawatt plant is expected to go online ahead of schedule.

There is a lot of capital outlay for a generating station – there's no question about it – but there's a tremendous amount of capital outlay for transmission lines. If you put a $263-million generator somewhere in central Alberta, you don't need to reinforce the backbone. You just gave it an additional 100 years of life. That's how you can actually extend the life of your existing system. We are heading towards a distributed generation model not because we're intending to but because that's where the market is taking us. Natural gas has dropped in price. They expect it to be low because of the new technologies for quite a long time, a lot more than 30 years. That is the take.

There will be local natural gas generation investments because it's more economical to build a generator close to the load. When you do that, that centralized model of locating all the generators in one central spot of your region like the Wabamun area is more of a sign of the past. As a matter of fact, the Wabamun plant itself has shut down. We have shut down two generators, I believe, at Genesee. It could be Genesee or Keephills. I'll have to look it up. Keephills is still operating. So what we have here is that some of that plant is going to transfer over to combined cycle gasification, as the new technology says. The other is not. It's just going to go offline. The reason it's going to go offline is because it's probably going to be cheaper to build a gas-fired generator elsewhere to serve whatever load it was serving from a long distance. That's just economics. That's a smart plan.

If the heartland were to grow substantially quite quickly, it is smarter and more economical to build a generator than to build a transmission line from over by the Wabamun area. It's as simple as that. It's based on economics. It isn't about the issue that the heartland needs a 240-system upgrade because they've got a plant so we're going to build $16.6 billion of transmission line that doesn't serve it. That doesn't make sense.

We have other areas just like that example that the hon. member gave. It's all up in that northeast region of Alberta. That's where our oil sands development is happening. They need to be served by transmission lines. We're not building them. Those companies will tell you that we're not actually building them, so why are we spending all this money? It's sort of like when you need a road in a community, like going up to Fort McMurray. Why would you spend multimillions of dollars building a road where you don't need it when you need it up there? It's about priority, and that's what's happening with these transmission lines.

This was an embarrassment, and I know the engineers that were part of this. I also know that the person who led this committee was a former vice-president of the PC Party, a nice guy. When I talked to them – I testified in front of them – they refused to accept evidence. They didn't look at any evidence. Nobody was allowed to submit evidence. Nobody was allowed to examine what they were looking at. They gave four questions to all participants, and you answered four questions. For a $16.6 billion package I would have thought you would have wanted more.

So when I asked a question of the . . . [Mr. Anglin's speaking time expired]

The Chair: Thank you, hon. member.

Other speakers?

Mr. Casey: Mr. Chairman, I guess I just have a question here. I understood we were in committee on Bill 8. I have no idea what we just went through here for the last two hours, no idea whatsoever.

Mr. Donovan: I spoke on Bill 8.

Mr. McAllister: I spoke on Bill 8.

Mr. Casey: Okay. I guess a couple of you did. But let's say about the voice that's been up here for the last 10 or 12 hours speaking nonstop: I have no idea what all this is about. I think the hon. member here pointed out that he didn't feel the cabinet previously had the expertise to make these kinds of decisions. What this bill is about is to make sure the cabinet doesn't make those kinds of decisions. I don't disagree a bit.

Collectively in this room right now there's enough knowledge to be just about dangerous, but it's certainly not enough knowledge to make any kind of a decision. If we're looking at trying to make a decision around any of this, I would say that we need credible, independent information, but that's not what's on the table tonight. Bill 8 is on the table tonight. I'm not sure what we just did for the last two hours except to have somebody's opinion presented. I would really like it if we could get back to discussing what exactly it is we're in committee to do, and that's to address Bill 8 and the amendment.

Thank you.

The Chair: I recognize the Member for Little Bow.

Mr. Donovan: Thank you, Mr. Chairman. Obviously, somebody would like a new voice to talk for a little while, and I'm charged up. That's good. I got five hours of sleep. I've got lots of talking in me.

I thank the Member for Banff-Cochrane for his comments on that, but I think that kind of why we're here is for democracy and to be able to speak about different things. Now, I get that we're not always going to see the same on everything all the time, and that's the beauty of democracy. Everybody gets to have their opinion on it.

I think the Member for Rimbey-Rocky Mountain House-Sundre has a pretty vast knowledge, as most of you have heard for the last, I'd say, little while here, on the issue. I think that's the key, to be able to listen to some of the facts that maybe weren't heard before. That's why I commend Bill 8 for that. It's identified that Bill 50 probably wasn't the best piece of legislation that came through. This is why we're reviewing Bill 50 with Bill 8. I think it's the process.

7:10

Kudos to everybody that's been here for the whole night. I was lucky enough to go sneak off for a little five-hour siesta, which I think is good for everybody. I mean, everybody gets tired and a little edgy; it's understandable. But I think that's why we're here, to be able to give our opinions on the issue.

In my riding it touches very heavily on that. I think there have been members from both sides who brought up issues in the last two hours since I've been here, since 5 a.m., maybe not exactly tied to Bill 8 itself but clarifying some issues that were brought up. I mean, I was part of that myself because I brought up some issues from the hon. Member for Fort Saskatchewan-Vegreville on some stuff that I'd googled quickly to talk about power lines and such. In saying that, I think that, except for maybe a couple of other parties in this morning, we're all at fault for that, getting off the topic a little bit.

I think the topic's pretty broad. I think Bill 8 covers a lot of things.

Mr. Hancock: Actually, it's quite narrow.

Mr. Donovan: Well, I guess I try to make it broad.

You know, when we talk about it, I think it goes back to the part about needs assessment. That's one of the things, the needs assessment, that needs to be added of the stuff that wasn't done. I guess that's what the great debate is about here and probably the amendments that will come forth on Bill 8 from our party, about how to put needs assessments back onto the lines that have already been talked about and have been started.

The question is: is there the need for it? The hon. Member for Fort Saskatchewan-Vegreville brought up a very good letter, an e-mail, which she will table, so we'll have all the exact facts to read off it. I think the nice part to that is that it does show that, yeah, there is power needed in this province. I don't think anybody on this side of the floor has ever argued that. We've identified that power is needed. The question of transmission lines, which she brought up: there are about five kilometres, I believe, in her statement on new power lines that are needed for that particular development in her riding, in her area. Or I might even be outside of her riding, but it's in that area. This is what we're here to do, to bring up facts, bring up information from our constituents about what affects them.

Now, in saying that, there was talk of a substation in her comments, which is great. That's not new generation. That's just a matter of making it available to go the five kilometres to where it's needed. I don't think anybody on this side has ever argued that, that we don't need transmission lines. It's the needs assessment. I think she adds a very valuable piece of information there. This is actually a needed product in that area. It's shown that there is a need, and there is also the comment in there on public interest. Now, I did tap on my desk a little bit on that because I think we've browbeat public interest quite a bit on a different bill, and it's good to hear people bring it up once in a while. It's not a sacred word. I mean, it's not something that we have to hide in the back corner in any way, shape, or form. Industry uses the word quite a bit.

Back to Bill 8, after my little pre-ramble on that. You know, we've got, in my riding anyway, when I bring up a lot of the issues there, the Alberta Irrigation Council, for instance, which talks of all the needs and stuff that they are doing. Their big thing is on education, governance, innovation, publications, and research. Now, research, I think, is key. I think that goes back to Bill 8 and what you need for information to do the needs assessment. Again, it ties back into the line that they want to do in my riding, in my constituency, that ties into Cardston-Taber-Warner's riding and that the hon. member would have, I'm sure, the same opinion of. Agriculture is very affected by these, and this is why we need needs assessments. That's one of the things that I think we need to identify on that.

I'm just going to stop for a second because I think everybody would like the Member for Rimbey-Rocky Mountain House-Sundre to table some stuff, and I think he'd like to go get a little bit of a rest. Then I'll be able to have a fresh water and be able to continue my conversation. Saying that, I'll sit down for a second, but I'll be right back up.

The Chair: The Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Mr. Chair. I'm going to move an amendment.

The Chair: All right. Would you circulate the amendment, please, hon. member? Send three to the table. Oh, we have three.

Mr. Anglin: Yeah. You've got them at the table.

The Chair: Perfect. If you'd just circulate them. Thank you.

This amendment will be A1, hon. members.

Hon. member, you may speak to the amendment.

Mr. Anglin: Thank you very much, Mr. Chair. This amendment amends Bill 8 by striking out section 3, and section 41.1 is repealed and the following is substituted:

> 41.1(1) A transmission facility designated as critical transmission infrastructure under section 41.1 of this Act as it read immediately prior to the coming into force of the Electric Utilities Amendment Act, 2012, shall be reviewed by the Commission which shall consider whether the facility for which approval is sought is and will be required to meet the present and future public convenience and need.
>
> (2) In determining present and future public convenience and need under subsection (1), the Commission shall consider:
>
> (a) the benefit that may accrue to Albertans as a result of the new critical transmission infrastructure;
>
> (b) whether the need of Albertans for critical transmission infrastructure can be met by the application of non-wire solutions or, in any less expensive but equally satisfactory way, such as upgrading an existing line, building electrical generators closer to the load and programs to reduce the load;
>
> (c) whether the cost to Albertans of the new critical transmission infrastructure outweighs the public's social economic interest and benefit; and
>
> (d) reasonable and economic operational alternatives to minimize system constraints, giving consideration to technical efficiencies, reliability and capital costs.
>
> (3) The Commission may, notwithstanding the Hydro and Electric Energy Act
>
> (a) refer the application back to the Independent System Operator with directions or suggestions for changes or additions,
>
> (b) approve the application, or
>
> (c) decline the application.

What this is intending to do, Mr. Chairman, in response to the hon. member – my opinion is, I think, the same as everyone else's opinion. We should be building the transmission lines we need. We should not be building transmission lines we don't need. That's my opinion. When I read from official transcripts of people under oath, that is what they said under oath. That's fact.

When I read exactly what the ISO wrote in its report, that's what the ISO wrote in its report. When I read the testimony of the author of the ISO reports, that's exactly what that individual said under oath. So that's not my opinion; that's evidence.

An Hon. Member: No.

Mr. Anglin: I know you can mock it, hon. member, but this is not a mocking kind of issue anymore.

Mr. McAllister: Just ignore them.

Mr. Anglin: That's okay.

This is a serious issue when we look at the amount of money. This is not like looking at the issue of public interest in the last debate. This is about real dollars that can be better utilized and more efficiently elsewhere. I know that some of the members on the other side have that mentality that we should be more efficient in our use of dollars because I've heard hon. members speak about that. That's a real issue that we have to deal with. I'm not here to say that this is what we should do versus this is what we should do.

7:20

What the amendment is asking is that we should take a look at this not from a political point of view; we should take a look at this from a technical point of view. We should trust the experts. This committee that looked at it, the transmission review committee: that was political, ladies and gentlemen. They didn't look at evidence. We want someone to re-evaluate the evidence and take in new evidence and do the right thing. That's really what this is about. It's a large sum of money.

Now, I just want to make a comment. How this connects all back to Bill 8, when I was speaking earlier – cabinet made the decision, and cabinet has determined that it should not make the decision. So if cabinet says that it should not be making decisions now and it should not be making these decisions in the future, how is it that the decision it made in the past is correct? That's a valid question. This is really important to the future of Alberta's economic activity, to look at this extremely large expenditure.

By the way, AESO's estimate of $16.6 billion: their estimates on every line they've ever recommended have doubled. That should make members look at this with some caution. When you ask ATCO or AltaLink when they propose a project, "Why does it double?" what they will tell you as the TFO is that they really don't care what the AESO puts out in their plan. What they care about is that when it's delegated to them, they work up their own numbers, and almost inevitably it's double. That's why, when the heartland line was first tabled, it was estimated to be $240 million to $260 million. It was tabled at nearly $500 million. I think it had more than doubled. I think it was $560 million. I'll stand corrected on a fact check, but I think it was tabled at $560 million. So it was more than double when it was tabled.

That should be a real eye-opener on taking a look at this massive package that has been legislated. We have problems with what's already been legislated. Those two lines going from Edmonton to Fort McMurray are in the wrong spot. If we develop the hydro, we should probably be using HVDC, not AC. It's going to require legislative change to make that change. So that's really important.

Thank you, Mr. Chairman.

The Chair: I recognize the hon. Member for Little Bow.

Mr. Donovan: Thank you, Mr. Chairman. Of course, I'd like to speak in favour of this amendment.

Mr. Horner: No.

Mr. Donovan: I know. I didn't want to be the showstopper. It's 7:25 this morning. I'm kind of a morning person, and I, again, respect the fact of those who didn't have the chance to go have a nap. By any means, feel free to hopefully get traded off.

I think, you know, it goes back to the basics of when you present a bill, and I think we've seen it. I again commend the government for identifying that Bill 50 wasn't working. I think it was hastily put through at one point. I think Bill 8 has started to identify that, but like with any good bill you want to have some healthy debate back and forth across the floor. I think the Member for Rimbey-Rocky Mountain House-Sundre, as quite a few of you have started to learn, knows a lot about power. I guess that, like on my farm, when I need to learn how to fix something, I try to go to

an expert, somebody with lots of experience. I think we happen to be very lucky to have that in this House.

Now, in saying that, I believe the Member for Rimbey-Rocky Mountain House-Sundre has moved that we strike out section 3, substituting the following: the design of the critical transmission infrastructure under section 41.1 of the act

> as it read immediately prior to the coming into force of the Electric Utilities Amendment Act, 2012 . . . [thought] to meet the present and future public convenience and need.
>
> (2) In determining present and future public convenience and need under subsection (1), the Commission shall consider:
>
> (a) the benefit that may accrue to Albertans as a result of the new critical transmission infrastructure.

Now, again, this amendment ties into my riding of Little Bow, where, like I say, we have a power line that's being put forward to go through. The situation right now is the needs assessment, whether we need that or not. I think that's part of this. Part of the old lines, I think, is one of the things approved before. I mean, this is a very large issue in my riding and probably one that led to my election. The original lines didn't have a needs assessment. This one that they're proposing right now still wouldn't need a needs assessment because it was proposed before this act, before Bill 8 was proposed to change that.

I guess the question from my constituents is: why can't we have these things done on the ones that are proposed currently? Is there, actually, a true need for them? You know, I guess that as landowners that's the key thing to these people. Are their rights being infringed upon? It's the needs assessment. I don't think there's anybody in my riding that isn't for moving forward in Alberta. I think everybody is looking forward to moving ahead and doing what's right. The key part is: is it needed? As I stated earlier, the needs assessment is key on these things.

When we put in this particular line from Picture Butte, for instance, it goes across some very high-end, I call it, agricultural farmland, which we've already invested a lot of money on for irrigation. We've already taken the time to do that. We've identified that it's good land, that it's arable with irrigation on it. It has a huge return on investment for all Albertans. I think that's key to this government because we put lots of money into irrigation projects. I commend our agriculture department for that. We've identified what we get returned back for stuff, and I think we've identified that our return on investment in agriculture is huge, especially in irrigation.

Next Tuesday the Alberta Irrigation Projects Association – if anybody is interested and wants to come down, we can carpool from here. I'm more than happy to work with everybody on all sides. Come down to Calgary to the Deerfoot Inn & Casino. They're having their annual conference there.

Mr. Denis: You just want to play blackjack.

Mr. Donovan: Yeah. Well, whatever it takes, I guess. I'm not sure how many lawyers in the room I want to play cards with, but I'm not here to judge that. I guess it all depends how that works.

I mean, I think it would be good for any member of this Assembly next Tuesday night to take that drive down there. There will be constituents there who will tell you – I mean, when we talk about power lines and we talk about costs and people's bills, you know, a lot of irrigation over the years has gone from natural gas or just gasoline-burning pumps to pump the water out for irrigation to electric. That's great, but we're talking with farmers that are getting bills that are $20,000 to $25,000 a month for electricity.

Now, don't get me wrong. There's a return on investment there. They've taken the time. They're obviously doing this because there's a business plan to it. But when half of their bill is for transmission fees, we're talking $12,000 to $13,000 a month per farmer. This isn't a large area. This is one single farmer I talked to. That's a huge dollar. My question is: is there that much cost to transferring that power? That's where I have the argument, I guess, and this is what my constituents bring up to me. Somebody is gouging. I mean, there's a definite gouge there. You know, what I think people want to know is: where is that going?

I brought up the conversation about the biodigester of one constituent who's actually just a mile outside of my riding. He's actually in the Cardston-Taber-Warner riding. Very smart farmers. Very outstanding. They've led industry for a number of years – we're talking 30 to 40 years – in the potato industry, and they wanted to do a biodigester. Just to use the power, a closed circuit, in their own facility – and they have to pay back into the grid with that. It just baffles me why we're not promoting more of that, dropping the red tape. Now, I don't know all the facts of it on the government side of why that might be, but it just doesn't seem right to me, I guess. Why are we making somebody that's trying to move ahead, trying to do, I think, all the right things – they're trying to remove the carbon footprint out there. They're trying to make use of the waste, so a waste energy facility, you know, make use of it in their own facility. They've got over $400,000 invested in this so far, and they're no closer to flipping the switch on on that than I am on my own project because I don't have one.

7:30

I mean, it's taken that long and there is that much red tape. They've invested their hard-earned dollars into this and, I think, for the right reasons. The government has shown incentive to doing these things, but the red tape is holding them up on it. I think it goes back to when we have people looking at that, they're saying: well, why do I even do it? Then it goes back to this amendment of: what's the public convenience and the need for this?

When we look at that whole section of it, a transmission facility designed for critical transmission infrastructure – I think those are key words – are these lines critical that are being proposed? I mean, I can't speak for the rest of the province, but in my own constituency are they truly critical lines for Albertans, or are they being set up to transmit power outside of it? I think that's the question. I know some think not, some do, but that's the question I have in my constituency. Are they needed for this?

Again, I commend the government for identifying that we need needs assessments from here going forward, and I guess my debate will always be: why did we go for that time in there where we didn't have a needs assessment? The question leads into: was that to just be able to railroad some power lines through quickly and not do a public interest test of a needs assessment on it? I know the public interest question always comes in of whether it's there or not, but I think if there is need for power – I don't think anybody in here wants to go without power. We've heard it from numerous members. I mean, it's a daily item at our place. You throw a generator on once in a while if it goes down, but you can't do that all the way through.

You've got to look at the investment people in my constituency and constituencies around it have made. Cardston-Taber-Warner is a very large one also of how they've put, you know, some collaborative decision-making into what they're doing on their farms and spending the money accordingly to get an investment back for Albertans. It's not just that particular farmer, for instance, who gets the money back. It all goes back into the economy. We have the people that put up pivots and irrigation, the electricians. You know, it's the economic dollars, and it goes back to spending

money provincially. If you keep the dollar close, we have something out of it. I mean, it's back into your economy. It keeps rural Alberta vibrant.

[Mr. Dorward in the chair]

The Minister of Agriculture and Rural Development I think has been very proactive in that, and I think that's how we need to keep Alberta sustainable, by keeping rural Alberta vibrant and keeping the development in rural Alberta vibrant. In saying that, I think this is a key way to do it, to figure out whether these things are needed. But it seems like we put up roadblocks once in a while as an agricultural producer of: are we gaining something by some of these power lines? I mean, what's the balancing act with them? Are we gaining something by putting them in? Are we actually being detrimental by putting in certain lines in certain areas on valuable land?

For those that have an agricultural background, that's great. For those who don't, potatoes have a huge investment to start off. I mean, these are people that are dumping $1,000, $1,200 an acre just on their input costs. Potatoes are very expensive to grow. They're sprayed numerous times during the year and everything else. I mean, as a farmer myself I'm pretty spoiled because I've got the odd gas well I have to drive around. Don't get me wrong. I collect an annual lease on it, and I can dodge them as need be for that value, but I don't have the irrigation to deal with on it. When you talk with people that have irrigation and they row-crop, you know, if you have a power line out there, it's a challenge for you because you're not nearly as efficient to go through and be back and forth. In this day and age it's about the bottom line and efficiency, so if you put power lines in places that I feel are probably not needed, you're definitely holding up what works for Albertans.

We've talked numerous times about roadblocks. I had the opportunity yesterday to introduce some people from the Alberta Barley Commission, some very forward-thinking people, about how to collaborate to show value-added stuff. Now, I had the opportunity to go to an ALMA meeting in Calgary the one day and talk about value-added and how to sell. I think that's where we're at in our industry. We've got to figure out how to make our product top-end to have our maximum return on it. In saying that, the Barley Commission has identified how we have to try to do that, how we've got to think forward and look outside the box. I know they've talked to the hon. minister of agriculture. I know he was very receptive to that, and I think that's what we need to do.

The one member, Mr. Logan, who's on it, whom I've known, as I said, since I started on council in 1995 with him, has always been very innovative and a forward thinker and a very strong supporter of the party across the floor, which is great. I think he's been doing it for the right reasons. He's supportive of all parties for agriculture. In saying that, one of his things is rural development. I guess I tie it all back around to the rural development side of it. If we have strong rural communities, we're going to have a stronger Alberta because then everybody isn't always focused on the larger urban areas; they've spread out.

That goes back to the infrastructure. We're spending on schools and roads and stuff. I mean, you've got to have a vibrant infrastructure program, or you're not going to have people out in those areas. It's the chicken and the egg. I understand the struggles this government has in trying to balance on how to finance all these items. But, you know, to go out and spend $3 million or $4 million on a school in a smaller community such as Arrowwood or Milo or you can go to the south end of my riding, where, for instance, Vauxhall just did a great job there on redoing their school: they thought forward. They put some time and effort into it. They actually did a needs assessment of whether it was better to rebuild the school or whether it was better to take a wrecking ball in and start fresh. I think those are the things that are going to keep Alberta going. If you keep strong rural towns going, you have young families move back.

In this day and age with technology you can sit and watch your farm grow on your computer and see what's going on. You have the technology to sit and see with variable rate irrigation systems, for instance, what you can gain back on that. You can't use that kind of infrastructure on your farm if you're putting in power lines that impede the progress of that. People wonder why they are going in. Again, the government is going in the right direction and has gone in the right direction on this with Bill 8 because they said: okay; we need a needs assessment on this.

I think that's what the Member for Rimbey-Rocky Mountain House-Sundre is talking about in his amendment. The needs assessment for that and how to make sure that the wording is correct on that but also to identify for the ones that have been out there before that haven't actually started yet, as far as flipping sod and putting concrete in the ground to get the towers up: do we actually need them? My constituents are fine if there's a need for them, but if there isn't a need for them, it's a pretty hard sell as an MLA to tell them that.

I mean, it was just as hard of a sell telling them about the Little Bow continuing care centre closing, and I had numerous conversations with the Minister of Health about that. I'm a pretty level-headed person. If you can show me both sides of the coin, I'm more than happy to tell my constituents how that stuff works. It's the same with these power lines and the needs assessments of them. If I don't have both sides, I can't make a good valid decision on it of how to represent my constituents.

Unfortunately, right now all we hear on our side – and the Member for Rimbey-Rocky Mountain House-Sundre is a very strong advocate, in case anybody in here hasn't noticed that, about power and needs assessments and stuff. You've got to tip your hat to the man. I mean, he has a cause, and he believes in it. I know that some people are not always sure they want to hear about it for 10 or 15 hours straight, but that's what the man's job is. He's here to share his knowledge.

I think we've got to sit and talk about it. There have been members from that side of the floor that have sat and listened to him at a forum and have talked to another lawyer, Mr. Wilson, about it and actually listened to it. The predecessor from Cardston-Taber-Warner sat at a meeting as a past MLA and he actually said: you know, if I would have sat and listened to some of this years ago, it would have given me a better background on what was going on.

It's hard. I mean, everybody is spread thin here. I'm just a rookie. I've only been here six months, and I definitely tip my hat to everybody that's been here longer. It's a very challenging job, and I think we're all here . . .

7:40

The Acting Chair: On the amendment.

Mr. Donovan: Yeah. I'm good. I'm working on it. Thank you for that, though, greatly. Two thumbs back up at you, Chair.

I think it's a challenging job, but I think, in saying that, it ties into the needs assessment. When we strike out some stuff, section 3 of Bill 8, under the amendment that was brought forward by Rimbey-Rocky Mountain House-Sundre – and I hope that appeases the chair for a little while, adding that to it. I think if we look at all the angles, it's easy to sell this back to our constituents.

I'm not a snake oil salesman. I'm not trying to pound anything down anybody's throat they don't want. They need to sit and figure out if this is needed.

I can say that this bill concludes what we need for needs assessment, but we've missed a huge gap in here of about four or five years where we haven't been having those. I think that's where we see this large uprising of people that want to see some facts and some numbers. I mean, past members of your party, of the government, once they've seen some of these facts, can make a balanced decision. Everybody is allowed to sit and decide whether the information was valid or not valid. That's everybody's human right. That's why we're here, to be decision-makers. To sit back and just close your eyes and your ears to it – I'm not against the closing of the eyes of whoever has been here all night; again, I commend for that. Seriously, sit back and think about that.

I commend the Minister of Municipal Affairs for his commitment to be here all night and, you know, Agriculture and Rural Development and everybody else in here. I think we're here for the right reasons. I think people are here to show that they are here to listen and try to look at the information because nobody wants to go in blind. Nobody wants to go in with just one side of the information.

In my riding especially, as I say, we've got power lines that didn't have needs assessments. As an agricultural producer it's not right for those people who have invested that much time and energy into their farms, to show the info that they've put into it and the backbone and the hours and the sweat, I mean, and a lot of risk.

We talk of debt financing in here. It's always an interesting conversation. I don't think there are too many farmers out there that just write a cheque for everything they do. There's a lot of long-term borrowing to it. And at low interest rates I think that's when people invest and move forward, and it causes some interesting conversations on debt financing.

[Mr. Rogers in the chair]

As a public figure I've been on county council for 16 years, and when I was on council I always said: "Would you do that with your own money? Would you do that on your own farm?" I've had some interesting debates with people across the floor and some other people in my constituency, and they ask the question about debt financing. They say, "Well, at cheap interest rates, would you do that on your own farm?" and it puts me in a tough position because . . . [Mr. Donovan's speaking time expired] I was just going to lead into a real deep conversation there.

The Chair: Thank you, hon. member.

I'll recognize the Member for Chestermere-Rocky View. [interjections] The Member for Chestermere-Rocky View has the floor.

Mr. McAllister: Thank you, Mr. Chair. I was very curious to hear the end of that. I would very much at some point like to hear it.

Mr. Chair, it's an honour for me to rise and speak to Bill 8, the amendment that we're discussing, which is effectively repealing Bill 50. Interesting to see democracy in action, too, as we discuss it. I guess to those of you who have been here all night: I hope it's effective in the long run. I mean, I guess that's the purpose although one could question how effective it is at this hour.

Let's go back to the amendment. Mr. Anglin moved that Bill 8, the Electric Utilities Amendment Act, be amended by striking out section 3 and substituting the following:

> 3. Section 41.1 is repealed and the following is substituted:
>
> 41.1(1) A transmission facility designated as critical transmission infrastructure under section 41.1 of this Act as it read immediately prior to the coming into force of the Electric Utilities Amendment Act, 2012, shall be reviewed by the Commission which shall consider whether the facility for which approval is sought is and will be required to meet the present and future public convenience and need.

I think I'll probably come back to it a little bit more because I've got 20 minutes, but we'll leave it there for now.

On discussing this amendment, particularly where this bill is concerned, it strikes me that the government went around this province and spoke to Albertans and listened to landowners. I believe that the consensus generally on bills 19, 24, 36, and 50 was to repeal the bills. That is, effectively, what we're doing today. I guess Bill 8 is a repeal of Bill 50. That is a good thing. But it's like the government doesn't have a rear-view mirror. It can't see that what has already been approved is wrong, which is what this amendment, I think, tries to correct. It does need an assessment, and it does need a cost-benefit for Albertans.

Now, I know that we're all here to represent our constituents, and I know that we all want to do the best job that we can. This line is coming right through Chestermere-Rocky View. I do have a file back at the office. Maybe if these all-nighters continue, I'll have to bring it in and read a few of the e-mails and submit them. I would just say that my inbox has been filled over the last six months and even during the campaign by people questioning the lines justifiably and saying: how can we move these through my property if we haven't proven that they are needed and they're not good value for Albertans?

They do have, you know, very legitimate points when they ask those questions, and as their MLA I found it quite frustrating that I have to say to them, "Well, we do have Bill 8 coming through, which will repeal Bill 50, which means the government will never do that again." They say: "Yeah, but the lines are coming right through my property. I don't care if you never do it again. I don't want you to do it right now." I'm not able to give them the answer that they need. All I'm able to say to them is that we'll do, I guess, exactly what we're doing right now, and that is standing up and having a discussion about it in the early morning hours.

It seems easy for me and others that actually did get some rest last night. I can see how tempers get short and patience becomes thin when you have no sleep. You know, sleep deprivation is actually a form of torture in some places, so I applaud all of you that stayed up all night long. I'm sure that we'll all have our chances, including myself, to do it again the way things are going.

Sixteen billion dollars is an awful lot of money to spend. I guess it's nearly 50 per cent, as somebody has pointed out, of what our annual budget would be, our annual expenditures. I think it seems reasonable that if you're going to spend that kind of money, you would want to qualify that it makes sense to do so. That is the point that we continue to come back to. Is there a proper needs assessment done? Is there value for our money? Is there a regulatory approval process? The answers to all of these are no, which is a big problem. You'll understand why constituents in many ridings are questioning why it's going through.

The repealing of the bill is good, but if we just come back to the point of the whole thing for all the people that debate power, like the Member for Rimbey-Rocky Mountain House-Sundre, like the hon. Member for Fort Saskatchewan-Vegreville. Banff-Cochrane stood up, and I'm thrilled that members on both sides do. I guess the point I would come back to is: why repeal the bill if it made any sense? We're repealing it because it didn't. Effectively, what we're saying is: we'll never do it again, but we're going to do it

this time. That's the problem. Just take all the power debate aside. I know there's a huge debate, and since I have 20 minutes, I'll get into that at some point, too, but that's the one that people are stuck on. That's the one that Albertans don't understand. If we've said that it doesn't make sense, if we've said that it was wrong, how can we look at people and say that we're going to do it anyway? Effectively, we've said: "We'll never do it again. We recognize that we're making a big mistake. We're sorry, but please forgive us this time while we push it though."

7:50

I mean, again, it's like my colleague from Airdrie spoke to when the bill was first introduced. It's sort of like your child stealing something from a store and you saying to them: "You can't steal, son. That's illegal. It's breaking the law. That's not how we operate." And then your son says: "Yeah, but you know what? If I could just keep this, I'll never do it again." Well, it's a terrible message, and that's how Albertans are looking at it. It's not how parents operate, and it certainly shouldn't be how government operates. If government wants to put it all to rest, all that has to happen is an independent needs assessment to show two things, that we need the power that they say we need and that we're getting value for our buck. Neither one of those things has taken place, so that is a big problem.

The point about the supposedly independent committee that looked at some of the information as to whether this was needed: I believe it was the Critical Transmission Review Committee, a four-person committee. Well, one of the people on that committee is the former VP of the government party. How could you ever look at that as independent? Again, I just say with great respect that the people look at that and say: even if your intention was true, if your intention was honourable, you could never make that sale because there's bias. It's clear.

Take any example you want. If you want to investigate something and you assign one of your own to investigate it, it's clearly biased. Albertans see that and understand that. They certainly do in Chestermere-Rocky View and, I think, in many other ridings as well. Maybe it is good that these things are discussed for as long as they are because I think it forces people to look at an amendment like the member is trying to pass. Is it going to pass? Probably not.

Mr. Horner: Call the vote.

Mr. McAllister: You'd like that. I know you would, hon. Minister of Finance. Well, we will at some point, I think.

But people want to pay attention when these things go on all night. I have a sneaky idea as to how the media operates. They'll be watching, saying: what are our tax dollars giving us? Then they'll look at some of these issues a little closer because someone in the newsroom will say: what was that amendment from the hon. member? Well, they won't call him an hon. member. They'll say: what was the amendment from the guy from Rimbey-Rocky Mountain House-Sundre? Then they'll read. They'll read, for instance, this section:

> (2) In determining present and future public convenience and need under subsection (1), the Commission shall consider:
>
> (a) the benefit that may accrue to Albertans as a result of the new critical transmission infrastructure.

Then some reporter will cross his eyes and say: "Oh, my gosh, I've got to look into this today, and this is very complicated. How am I going to do it?" Then they'll start to make a few phone calls. One side will say, "Well, we need power; the lights are going to go out," and the other side will say: "Well, I don't think we do need power. The lights aren't going to go out." Then they're forced to find out from an independent expert whether or not it's true.

Mr. Donovan: Or an accountant.

Mr. McAllister: Or an accountant. A shot across the bow there, I think. I do appreciate that whatever that member does, he seems to do it with a smile, so don't mock too heavily. We do enjoy that, at least. I would also mention that I think he's the best greeter during introductions of anybody in this House. Without question that is sensational.

Another point to this amendment: whether the need of Albertans for critical transmission infrastructure can be met by the application of nonwire solutions or in any less expensive but equally satisfactory way such as upgrading an existing line, building electrical generators closer to the load, and programs to reduce the load. Well, I don't claim to be a power expert. I don't think most of us do, Mr. Chair. But I do think it's a fair question to ask: what would be the most efficient way to build power should we need it?

What I've heard from people is that there are a lot better ways that we might do it, that we might look at alternate ways besides what's being proposed, these billions of dollars in projects. But that's part of the independent needs assessment that we did not do, and that is clearly wrong. The amendment calls for this bill to make sure that we are doing a proper needs assessment, to make sure before we build. [interjection] It's okay. I understand.

I also understand where this amendment calls for accountability. We pay for the lines, the companies own them, and they are guaranteed a 9 per cent rate of return. This is an interesting one. I wonder how it would be explained to your constituents, those that are invested in the issue. If you said to a farmer, for instance: "Tell you what. Why don't you go build some fences? We're going to pay for all of the posts, the wire, the wire stretcher, staples, nails, whatever it is you use. We're going to pay for all of that for you, top-of-the-line equipment, too. The very, very best, sir, whatever you need. We'll pay you for them. The more you build, the more we'll pay you. And we'll guarantee you a giant rate of return, that you can't get anywhere in today's economic world, of 9 per cent or better." Now, I often knock the farmer from Little Bow in good fun, but I think it's safe to say that if somebody said that to him, he'd be out with a fencing maul pounding in posts the next day just about everywhere he could.

You know, that's what we've done, effectively, and it's not right. We're going to pay for that eventually. We are going to pay for it because the company is going to need to recoup all of that money since they're making the money from it. It comes back to the people that put us in these chairs, and those are the ratepayers, whom we should be here representing.

If big business is paying, as the Member for Little Bow said, $10,000 or $12,000 a month . . .

Mr. Donovan: Just in transmission.

Mr. McAllister: . . . just in transmission costs, imagine if that doubles. This is important regardless, you know, of your take on the issue and where you're going to vote and everything else. Just give me these two minutes. If your bill doubles at home on the transmission cost, that's not a very big deal perhaps to some of us. I'll argue that it is for some in a second. You can live with that potentially. But if you're paying $12,000, $13,000, $14,000 a month on this kind of cost and it doubles, what you're saying to business is: go and operate elsewhere. I think that's what a lot of the big businesses are saying: you're potentially driving us out of the market.

This amendment is trying to prevent that, Mr. Chair. If their power bills are doubling just on transmission costs and they're running an efficient business and they're trying to make a company work, clearly, any business with effective managers and anybody that's interested in the bottom line is going to look to alternatives. And those alternatives may be out of the province.

You look at what's going on in Saskatchewan. They're doing a lot of things right there now. I mean, they've got the Riders: that's not right.

Mr. Denis: Go Stamps.

Mr. McAllister: The hon. Justice minister and I agree wholeheartedly on that point. Go, Stamps, go on the weekend.

I'll get back to the amendment, Mr. Chair. I'll get back. I promise. Like most of you, I'm just thrilled for Kevin Glenn. He deserves a shot for sure.

Saskatchewan is doing a lot of things right, Mr. Chair. Mr. Chair? I thought maybe you were doing your Clint Eastwood impression there for a second. They're attracting business.

8:00

Darn it, we're all proud of this province we live in. It's the greatest province in this country. I've been blessed to live in six of them and to move around the country. You know all the wonderful things we could say about Canada, and I know we all would, but we want people here. The Alberta advantage exists because we do things right, and I'm fearful that what we're saying to big business is: move a little bit east to operate, and you can save some money. I hear that from people all the time in industry and in big business.

On the point of your personal bill going up, I made this point, I think, yesterday or the day before or the day before that or whenever it was that we talked about this last. You know, if you're living on the edge financially and you're not making $156,000, which was $145,000, if you're not making that and your family is struggling and you don't have, you know, the luxury of an 8 per cent hike in your pay, it's tough to make ends meet. So what the amendment is calling for is accountability so that seniors that are struggling to pay their bills don't wind up in a situation where they can't pay them, and those that are on the edge of their financial survival are still enjoying the Alberta advantage.

We're concerned, which is why we've put this amendment forward. We're concerned that we're going to get to a point where our bills go up substantially. If we do get to that point, we're going to have a big problem in Alberta, and so are you, and I know that you as a government do not want that. I know you don't like it when the public is mad at you, and they will be mad at you when this happens, and justifiably so. Then we will say, you know: we were concerned about it and warned you about it. You've been here all night. It must be tough to take. I look at the minister saying: really? We want Albertans to be able to make ends meet, and our concern is that this will not.

When the Member for Rimbey-Rocky Mountain House-Sundre puts this amendment forward, he's got so many points, and it's so technical to most of us that sometimes the message gets lost in all that he's delivering. But to those that really understand, it doesn't. You know, they understand what it is that he's saying.

I go back to some of the things that came out, you know, in the election campaign when Bill 50 was being discussed in town halls, in community centres, in gymnasiums. I go back to those discussions, Mr. Chair. One of the things that was raised . . . [Mr. McAllister's speaking time expired]

The Chair: Thank you, hon. member.

I'll recognize the Member for Medicine Hat.

Mr. Pedersen: Thank you very much, Mr. Chair. I rise as well to speak in support of this amendment, but I'd also like to thank everybody for working hard through the night. I think it's a testimony to why we all put our names forward on April 23, and that's very important. I also want to thank all of the Legislature staff for supporting this process as well, and I want to say thanks for the teamwork that's going on. You see the rotation of those that sat through the night being replaced by those who are coming in this morning. I think that speaks loudly that this is a team effort, and it's a good effort. So welcome.

On this amendment I might bring a different aspect because Medicine Hat is in a bit of a different situation within the province. We do have our own utility. We have our own natural gas fields. We produce our own power. We transmit our own power within the city. You know, we generate revenue from that, and it's a bit different, so I'm going to try and tie that back into the amendment here.

I think it's important that you read through this:

> A transmission facility designated as critical transmission infrastructure under section 41.1 of this Act as it read immediately prior to the coming into force of the Electric Utilities Amendment Act, 2012, shall be reviewed by the Commission . . .

I think that's very, very important.

> . . . which shall consider whether the facility for which approval is sought is and will be required to meet the present and future public convenience and need.

So there's quite a bit in there if you break that down. I like the fact that it's now going to be reviewed by a commission, which is very important. I would assume the commission is going to be staffed by experts. I think that's key there. The experts should be looking at information that is relevant and that is current, not something that's based on reports that were done in 2003, which were great at the time, or reports that were updated in 2007 or 2009. It's all great groundwork, but I think the fact of the matter is that times are changing so fast here.

Electricity is also one of those issues that changes very, very quickly. Technology is part of electricity. Innovation is part of electricity. That's what makes all the information in the past relevant to the past and a good groundwork, but it also should be used to create a new baseline for where we're at today and where the experts see us going, you know, in the near-term future and down the road. That is very, very important, that we have those experts involved to gather that information, to go out and seek and consult stakeholders and come up with a new presentation that can be presented and debated. Hopefully, cost-effective decisions can be made upon those discussions.

Determining the present and future public convenience and need, again, is key. What I'll tie it back to is that because Medicine Hat is a power producer for its local residents, we are unique. We do control the transmission to our residents as well as industry. In doing so, we help to keep these transmission costs very, very low. When you look at pricing models throughout the province on electricity itself, the city will actually find an average. They'll go out and check all the different numbers that are being thrown around by electricity producers, and they'll actually pick an average. That's what they sell to their consumer, their residential consumer. Their industrial consumers will have a price. Where they get the lowest cost benefit . . . [interjections]

The Chair: Hon. members, if you could just keep the side conversations down, please, while the Member for Medicine Hat has the floor, we'd appreciate it. Thank you very much.

Mr. Pedersen: So what they do is take an average of the

provincial electricity costs within Alberta, and that's what they charge the residential customers of the city. The industrial customers also get charged a different rate, where they control the overall cost. What gives Medicine Hat an advantage in power and electricity overall is that we have control of our transmission costs. When you put all those numbers together at the end of the day, the overall bill to a residential customer or to a commercial customer is one of the lowest in the province. I think that's key. That is the way they're able to control the transmission costs. One of the things that we're talking about here is that transmission costs are going to go up. By how much? There are different numbers being thrown around, you know, but that's a given. That's one of the things we know is going to go up.

8:10

The fact that Medicine Hat does this whole process differently gives us a bit of an advantage. Medicine Hat is in a position where we're in the southeast corner of the province, and we are dependent upon transmission lines as well because we want to be able to be connected to the system in case we have a catastrophic failure so that we maybe have to import electricity. We're also connected to the grid so that we can actually export power in times of need. So the city is able to actually make a nice profit any time they sell outside of the city. We sell much more than we actually import because our capacity built into our cogen system exceeds the amount of electricity that we need. They always have backup systems in place that they can turn on in times of high power demand peak, which gives us very, very good service, and it prevents anybody from having the lights go out, which is what some people propose might happen, which is what we don't want to have happen.

In saying that, because the city of Medicine Hat has natural gas fields, they also control their feedstock, which is beneficial to the residents of Medicine Hat, but they're also looking at alternatives in providing electricity. I think that's tying back into this determining "the present and future public convenience and need." We do that on a local level as well.

There is a current wind power program that's being discussed. They're looking at putting up three turbines within the Box Springs Business Park area. That's to help bring in some green energy and to offset some of the carbon emissions that the city is trying to take advantage of. It's an environmental solution. It's pointing towards current needs as well as future needs. They've done some negotiations with their partner to guarantee some long-term pricing rates. At the end of the day they've done this so that it is a cost-effective solution. They don't just want to go ahead for the sake of environmental reasons at the sake of the consumer. It has to have this balancing effect of money in, cost-effectiveness coming back, and creating efficiencies using the carbon offset credits that they would actually get for that as well. So they're looking ahead.

As mentioned, a lot of these projects don't happen overnight. It takes time. You know, you have to go through approvals, apply, make sure that you meet all the regulations, terms, and conditions. They spend a lot of time doing that. The end game is to secure energy from an alternative source that's environmentally friendly.

Wind power on its own also has some issues. I mean, you talk to environmental individuals, and there are different studies done around the low-frequency hum that comes from wind turbines. There are many studies happening in Europe that are actually pushing back on a lot of the countries in Europe that have relied heavily on wind energy for many, many years. They're finding out that there is some negative impact in going to wind energy even though it was implied that it is an environmental option to provide power and electricity.

Another thing about wind energy that we have to be conscientious of is the impact on birds and certain wildlife. I think that anyone who has studied it or who has looked at it or who has been impacted by maybe having a wind turbine placed on their property or near their property knows that they are a massive structure. They would certainly make a mess of any bird that would run into any of the blades. It's been a huge impact on a lot of the flying species, whether it's birds, bats. It's a study that's ongoing, and I think that's going to lead more into, you know, what the actual benefit is on the environmental side and the ecological side.

Wind power is one of the options. One of the things I look back on is that coming from Saskatchewan, near the Gull Lake area there's a huge wind farm there. It's one of the most efficient wind farms in Canada. I believe it's running at about the low to high 40 per cent efficiency, which for a wind farm is very, very high. It's very effective. But it also tells you that if it's only running at about 40 to 45 per cent efficiency. It's offline anywhere from 60 to 55 per cent of the time, so you don't always have constant energy flow from wind turbines. On the negative side I think that's one of the issues that you have to look at. You always have to have more of the conventional power generation sources available to you.

Wind farms do supply a nice amount of power, but it's not constant. It also has issues with fluctuations in the amount of electricity it produces at one time, so you have issues with your transformers and your substations, that always like to run more on a constant flow of electricity. With that being, you know, one of the great things about Gull Lake, it was identified that it was a great area to set up a wind farm. That was a needs assessment and location identification because you need the wind. Coming from Gull Lake, I know that it always seems like there's an incredible amount of wind. Now that I live in Medicine Hat, we seem to get all the wind that the Lethbridge folks don't want to use down on their wind farms.

It's a nice, constant flow of energy, but it is not consistent, so when you look at wind farms, you have to look at where you would put these wind farms and what would make them relevant to the area. You need the constant flow of the wind, which is your source for turning the turbine. That's very important. You also need your infrastructure because you're going to need power lines to carry that electricity. The problem with wind is that it doesn't just happen everywhere or anywhere. You have to pick the places where wind is prevalent and wind is constant and wind is steady. You don't have the choice of putting a wind farm close to where the power is required. I guess that impacts a lot of the larger cities and the industrial areas because those are the areas that require the power, but if you don't have wind, you can't put up a wind turbine farm.

Once you establish where you want to put these and it's determined that the needs assessment has been met, now you have to actually put in your infrastructure, which is your power lines. That's very important. You're connecting the power generation to where you want to get this power. That's the tie-in there. Again, the problem is that you have to take those lines and route them through somebody's property. You have to route them down some right of way. You have to impede somebody just for the sake of having a distant power generation source just so that the people who need the power can actually access that power.

The city of Medicine Hat has the Box Springs wind farm, which is approved and moving ahead. There are three turbines that they're going to be working with. I believe there are two projects either in the works or partially approved. I'm not sure if I got the names right, but I was looking on the Internet, and there's Wild

Rose 1 and Wild Rose 2. But there are also the ones closer to the Cypress Hills. I might not have the names exactly correct. I know that there's more and more development going on with wind power generation.

So that is one of those sources that the fine Member for Rimbey-Rocky Mountain House-Sundre identified. In some of the earlier studies wind power was not as heavily considered as it is now. As we move forward, I think you're going to see wind have a larger play on the power generation side, not only on the needs side but on the environmental side.

8:20

The other interesting thing about the city of Medicine Hat is that we are one of the sunniest cities in Canada, so that also gives us the opportunity to look at creating energy through solar. So, again, when you're talking about determining present and future needs, I think we've identified the fact that our needs can be met, possibly, by some type of solar energy power generation. From what I understand, we're embarking on a program that is cutting edge. It's the first time it's happened this far north because the issue with solar energy is that, again, you need to have a constant amount of the power source, which is, obviously, the sun, but it's how direct the light is, as well.

So the further north you go, you lose some of that impact of having some of these direct light waves hit you. When you get farther into the south like in the U.S. and Mexico, where they have huge solar arrays set up in the desert, they're closer to the equator, of course, so the rays of the sun are much more direct, more intense, so their efficiency is much higher. That's been one of the problems in trying to develop solar power to augment or replace traditional forms of generating power. With the unique situation that Medicine Hat is in, we have that ability, being one of the sunniest cities in Canada. We are embarking upon that, and it'll be interesting to see how this plays out because by generating electricity from solar, this could have huge potential right across the southern part of Canada. We're a testing ground.

That gets back to the idea of why it's so important to get back to what is relevant today. What is the information today? What are technology and ingenuity saying today? What is relevant today? They're telling us that what was current in 2003 and 2007 and 2009 would not allow us to do this project in 2012. But because technology has moved, it's created a whole new baseline where we can actually put a project forward that was before deemed inefficient or, you know, you just couldn't do it.

So now we have wind power. We have solar power. And within Medicine Hat it's very convenient because we have our internal distribution transmission system. We're able to generate this electricity close to us and distribute it to the people, either residential or to the industry that is looking for secure forms of energy, which is primarily electricity, to run their businesses.

The Chair: Thank you, hon. member.

Any others? I'll recognize the Member for Calgary-Buffalo on amendment A1.

Mr. Hehr: Thank you very much, Mr. Chair. It's really a privilege to be in here this morning speaking about Bill 8, the Electric Utilities Amendment Act, and the various ramifications and viewpoints that are out there on the future of our Alberta electricity system. There is no doubt that the way we get power, the way we move power around this province, the way that we harness various forms of energy in the coming decades if not the next hundred years is an extreme challenge that has to be met by the government of the day. This act is a very important act that sets the stage for the way that we will be doing things going forward.

I think I would be remiss if we didn't backtrack a little bit and talk about a few of the things that got us to the need for the Electric Utilities Amendment Act, 2012. It was a series of bills that were brought in – I believe they were bills 19, 36, and 50 – with a view to doing things in a non public disclosure manner, didn't lead to openness and transparency, and really tried to do things in an un-Albertan fashion. As a result, we saw a lot of blowback, a lot of people who were concerned about what their voice was as Alberta citizens in having their say on what an electricity system will look like. No doubt that was an impetus for much of the concern here in this Legislature this morning and last night, and that continues on. I think much of what we're speaking about today is a reaction to that series of bills.

Back to the fact that this is no doubt going to be one of the critical issues facing Alberta over the course of the next 50 years, we look no further than many of the challenges that are out there. We have an increasing population here in Alberta. We are going to add some 1.5 million people to our population over the course of the next 20 to 25 years. Of course, our system for our electricity needs has largely been based on coal-fired power plants, which, obviously, have a large environmental footprint associated with them. They will be decommissioned over the course of the next 50 years.

Of course, we need to find various ways to have our citizens connected to a grid, connected to energy to allow them to not only carry out their daily occupational endeavours but, frankly, to live in a modern world. We are going to have to look at things like hydro, we're going to have to look at things like solar, and we're going to have to look at things like wind development and ensure that our electrical grid is able to handle all of those forms in a flexible and diverse manner that to date has not needed to be looked at here in Alberta largely because of our ability to provide electricity through coal and other means that have traditionally served this province very well; hence, the need for a very robust transmission system, a very far-reaching transmission system that will allow Albertans of not only today but tomorrow to successfully take part in accessing electricity and, hopefully, at a reasonable, fair price that recognizes some sort of cost structure of what the electricity is actually produced at. That is no easy task, Mr. Chair.

In my view some of the amendments that are before us are trying to lend some clarity and some precision to what the people serving in this capacity will look at to determine what is critical transmission infrastructure. Even the term "critical transmission infrastructure" is one worth thinking about. You know, critical transmission infrastructure defines that we absolutely need it. We need it today, we need it tomorrow, and the like. I'm of the view that much infrastructure, whether it's critical or not, may be in the best interests to actually do. Sometimes doing things in a proactive fashion is actually a good thing, and actually moving to a system that is allowed to look at future need is, in my view, a good change to the legislation from where it was in 2000 and 2001, before we went into the series of bills 19, 36, and 50, which weren't able at that time to contemplate future need.

8:30

Just going back, I don't think there would have been a need for bills 19, 36, and 50 if that future-need component had been in the legislation prior to that series of bills. Really, if this government would have been looking down the path as to what was best able to achieve the hopes, dreams, and future of this province, it simply would have recognized that in early 2000 and said, "What is the

best way to put together an electricity system?" and would have said, "Well, my goodness, it's by looking at future need" and incorporated that into the various statutes and legislation instead of ramming through a series of bills that tried to hide what, in fact, the government and other agencies were trying to do with our transmission system.

This amendment is trying to clarify some of those things. I look at it. It looks at:

> (a) the benefit that may accrue to Albertans as a result of the new critical transmission infrastructure;
> (b) whether the need of Albertans for critical transmission infrastructure can be met by the application of non-wire solutions or, in any less expensive but equally satisfactory way, such as upgrading an existing line, building electrical generators closer to the load and programs to reduce the load.

That is a noble idea, actually. If you look at the current mix of what is contributing to our energy grid, we do have a large resource of natural gas that can be converted to supply electricity to homes. Right now natural gas is at $2 and some-odd cents mcf, which is a historically low price. Who knows how long it's going to be there, Mr. Chair, and I grant that. We have to have a grid that is able to adapt to price changes in both commodities as well as structure and the like, to adapt to the various price points along the way. That's one of those things that I think this amendment is trying to accomplish, ensuring that the people who are interpreting this act are looking at all forms of what can go in to create energy at a reasonable cost and in an environmentally friendly way.

We look at 41.1(2):

> (c) whether the cost to Albertans of the new critical transmission infrastructure outweighs the public's social economic interest and benefit.

That's always one of those things we have to balance, our social and economic interests, whether or not those two things are in balance. A term that you could have used there was whether it's in the public's interest to go forward on this one project or not. We have to weigh these things not only for this generation but to look forward to the next and see whether those things balance out.

We're looking at:

> (d) reasonable and economic operational alternatives to minimize system constraints, giving consideration to technical efficiencies, reliability and capital costs.

Now, one would assume that an organization looking at this would already do that. That would be part of their mandate and part of their abilities as a body. Nevertheless, incorporating it into an act doesn't really cause me much concern in that having this clarified in legislation leads to more certainty. It allows for people to understand what is happening. Oftentimes the average Albertan or a person seeking information will go online. They'll seek out the Electric Utilities Amendment Act. They will go to it, access it online. You can go get it, and you can look at it, but then you have to do the tricky thing, if you really want to get into the detail, of going to the regulations. Oftentimes rules and the way the system works are buried in regulations.

I'm of the view – and I think many people are coming to that conclusion – that acts must be written with more certainty to allow people to know their legal obligations or social obligations or economic obligations and what is truly in the public interest. That should be laid out clearly in an act and not be left to as much interpretation as I see in some of the legislation that is currently being written in this province. We should try, when the opportunity presents itself, to make our acts as clear as possible.

I think that would help not only citizens but Legislatures alike. Oftentimes in going to the act, you think you get a pretty good idea of what's going on, but the devil is in the detail, Mr. Chair. Oftentimes our regulations can be much more stringent, much more strident, much more clear as to what the actual day-to-day workings of an act are than the actual act. That causes many people concern.

Sometimes our acts read like insurance policies. The overarching act lays out the principles like many insurance documents. You're covered for fire. You're covered for hail. You're covered for water damage. You're covered for all sorts of things. Then on the final page of the insurance document you go into a section on disclaimers or things that will make your policy null and void. In that section – and it's often in smaller print – they go through a long litany of things that will make your insurance invalid. Oftentimes these are onerous. These are often minor things that the person buying the insurance is either not aware of, not made aware of, or that are not highlighted to them at the time of purchasing.

For instance, I just recently went through my insurance policy, and it says that if I leave my condominium for more than I think it's three days in a row, my insurance is null and void. [interjection] I don't know. Give me some leeway here. The hon. House leader has pointed out that I may not be exactly correct on that thing, and I may not.

Mr. Griffiths: Don't let the facts get in the way of a good argument.

Mr. Hehr: You are right. You shouldn't let the facts get in the way of a good argument, and please let me continue with that.

Nevertheless, some insurance policies – and mine is one like that – have some differences as to when I'm protected under my homeowners' insurance policy that either I wasn't aware of, didn't check into, or where I was under the guise that I was protected. Although my facts may not be right on point, the general message is. I'll stick by that story, at least for the time being, and I'll stay by the point that our acts should be written with as much clarity and as much direction to the general public as we can.

I think this amendment goes some measure to try to clarify that not only for the people who are going to be interpreting this act, working on our day-to-day electricity needs, but allowing for those who are looking for how this act will affect them – how it will affect them as consumers, as ratepayers, as environmental stewards, and the like – going forward.

Those are my comments, Mr. Chair, and I look forward to other members discussing this amendment as well.

8:40

The Chair: Thank you, hon. member.

The Member for Cardston-Taber-Warner.

Mr. Bikman: Thank you, Mr. Chair. After a wonderful night's rest, a shower, and a shave I'm returning to the battlefield, reporting for duty.

Mr. Donovan: Combed his hair.

Mr. Bikman: Combed my hair. I'm ready to re-engage the enemy.

I noticed a lot of cheering as members opposite, fresh faces, showed up for duty this morning. Some of it's because we were just so happy to see you, I'm sure, but I suspect that those who are now allowed to leave are being awarded their Purple Hearts for being wounded in action here last night. [interjections] Not really? Oh, okay.

I want to thank you for the opportunity to speak in support of this amendment, and I want to thank the party in office for giving

us this opportunity, this forum, if you will, to allow us to continue to speak both here in this House and, of course, to the larger population, that's engaged in reading the reports about the events transpiring here and the tactics and methods being used to extend debate and to try to wear down the loyal opposition in an attempt to pass legislation that isn't complete. It's good as far as it goes, I submit and I'm prepared to admit, but it's inadequate. The duty of your loyal opposition, of course, is to spot those little weaknesses and humbly provide some solutions to them.

When we have someone as knowledgeable and capable and as well read, a true student of the issue that Bill 8 addresses and purports to fix, then I think it's incumbent upon all of us to pay attention to him. I'm sure that all of you have enjoyed your evening and the opportunities you've had several times over the past 12 hours perhaps of listening to my neighbour address the issues in his humble attempt to enlighten all of us. I certainly learn from him every time I hear him speak. I appreciate his commitment to this cause and his commitment to the genuine needs, when it comes to electrical transmission, of all Albertans.

Nobody wants to see their power rates rise. Maybe the allegation that rates may go up 200 or 300 per cent might be like scare tactics that we use as parents sometimes on our children: brush your teeth, or they're going to fall out. Well, they don't fall out fast enough, and that really doesn't motivate them, so we try to motivate through love and through persuasion and explaining that you'll have fresher breath, which means the members of the opposite gender will find you more attractive perhaps or that your friends won't shy away from you. Nevertheless, the truth is that once in a while teeth do fall out, and once in a while power rates do increase. Your bill, the transmission part of that bill, will go up. We know it's going to happen. It's bound to happen.

The system that's produced the situation that we're in has prompted the government, the party in office. Thank you for bringing Bill 8 forward, because it was necessary. It's kind of like shutting the gate on the corral after the horse has bolted. It's like shutting the gate on profligacy and irrelevance after these events have transpired, but thank you nonetheless. The gesture is, I think, more than a gesture and could of course be made far more effective if it included the ability to rectify some of the wrongs that have been approved and planned but not yet implemented, which we hope will happen.

Our amendment reads that section 44.1 is repealed and the following is substituted:

> 41.1(1) A transmission facility designated as critical transmission infrastructure under section 41.1 of this Act as it read immediately prior to the coming into force of the Electric Utilities Amendment Act, 2012, shall be reviewed by the Commission which shall consider whether the facility for which approval is sought is and will be required to meet the present and future public convenience and need.

Much has been made, by many eloquent speakers over the weeks that we've been examining this bill and looking at it, of the fact that it's just prudent to plan ahead. We all ought to plan ahead. We all ought to be prepared for the future, although I submit, as has been mentioned before, that you can plan too far ahead and you can build in anticipation of those plans too far ahead. That's certainly what we're seeing here.

There is a whole host of people that agree, including those who have built significant businesses, commercial and industrial, in our fine province and who in an attempt to mitigate the impact of the presumptuousness of cabinet in ramming through the transmission lines approved by Bill 50 are doing, as prudent businessmen would do, what they can to relieve the impact and avoid the more significant and onerous parts of the impact that will come to the rest of us. They're finding ways to cogenerate and perhaps even pump back into the system power that will even further reduce their costs. But not all will be able to. We know that significant businesses that might be planning to come to Alberta will shy away from our province because we do have among the highest electrical bills in the country. This is a discouragement and a disincentive.

We're not doing our duty if we don't go back and try and rectify some of those errors of the past. It takes a great person, it takes a humble person to be able to admit: hey; with the best of intentions we nevertheless have made some mistakes. From whatever source the correction comes, wherever the feedback comes from, that allows us to course-correct on our path toward the nirvana of an industry-friendly, business-friendly environment in Alberta, a place that's not just a great place to live but a great place to raise children, a place where we can afford to live, where we're controlling our costs.

I think part of our responsibility as government goes beyond spending. I think it includes controlling our spending. We've submitted in this House and have suggested, quite frankly, that we don't need to go into debt as a province to continue to build infrastructure; we just need to control costs and sniff out waste and attack overheads and reduce those overheads. Billions and billions of dollars could be saved.

In preparation for a responsibility that I was recently given, I've been looking at some of the ways that postsecondary education can be provided more efficiently. I've been amazed at what's happening in other parts of the world and how low the cost of providing that education, a high-quality education, could be. That research has reminded me of the importance of accepting good wherever you can find it and saying thank you and implementing it wherever possible.

When I was growing up in this province, the city of Lethbridge, where I was born and raised, had its own power-generating station and owned its own power lines as many communities did. It gave them security of supply. It allowed them to control the costs of providing that energy. It provided jobs within our community. In my own company I can remember working with my dad when he would go to that plant to help with our heavy moving equipment, to take out generators and replace them with new or remove them to be repaired or do other things like that. I think the citizens were proud that they had that capacity. Well, in the interest of perhaps some short-term gain, selling that power plant seemed to appeal to the city council of the day, so they divested themselves of that with the promise that rates would stay the same or be even cheaper for a period of time. Well, of course, that doesn't last forever, and the reality hits.

When the provincial government steps in to try and make something better, it rarely happens. The three great lies that seem to be commonplace are "Hi. I'm from the government, and I'm here to help you," "Your cheque is in the mail," and "Of course, they'll still respect you in the morning."

8:50

We've been misled. We've been lied to. I think people are getting to the point where they're getting pretty darn mad. Part of that anger and frustration at not having a voice in decisions that are affecting them resulted in 55 per cent of the voting population in our province choosing a party other than the party that governs. Those people are entitled to representation, and I think it's incumbent upon the party in office to listen to all voices in the province. I don't think that an inadequate diagnosis allows you to prescribe and have that prescription be accepted with confidence.

It's like going to an optometrist because your vision is kind of blurry, and the optometrist takes a quick look at you. Gee, he's been an optometrist for over 40 years, and he says: "Gary, I know what you need. Here; these glasses have worked really well for me. Try them on. I think you'll like them." So I put on his glasses, and I can't see a thing. I say: "These are terrible. They don't work for me." He says: "Well, you've got a bad attitude. They work for me. You need to try harder."

Well, that's what the people of Alberta are saying to you, optometrists who've been in power for 40 years and have been practising your craft for 40 years. You think your view is right. You think your perspective is the only perspective worth considering. You make a show of travelling the province to see what landowners think about the landowner bills, but it's an exercise in public relations. I have to tell you that it was very well done. It was professionally presented. You made a show of listening. You didn't come to justify the mistakes you'd made. You said: we're here to listen. And everybody went away feeling that, oh, maybe at last we're going to redress some of the wrongs. Bills 19, 24, 36, and 50, the more onerous parts, will be modified. They'll be changed. They'll be tweaked.

You listened, but you didn't hear. You came back to the people of Alberta, this disenfranchised 55 per cent, and you said: "We were listening. We heard that you want a property rights ombudsman." You will be able to come to him and say: "My property is being confiscated. They're stepping onto my property without access to due process of law. They're taking advantage of my property. They're trampling on my rights." And this wonderful property rights advocate, another layer of bureaucracy, will say: "Oh, yeah. They are. I see that. Well, according to bills 19, 24, 36 and 50 they have the right to do that." And then his empathic reply: "I can see that you're hurting. Come and let me give you a hug." I attended some of those meetings. I didn't have somebody offer to give me a hug. I heard them say: scrap these bills and start fresh.

Some of the intent is good. We'll grant you that. There are some things that need to be polished and cleaned up, but for heaven's sake don't do this. You're trampling on historic rights. Hundreds of years of precedent in English civil law say that this is a disregard for my rights.

The amendment that's been proposed by my hon. friend is one that helps you do that. You have a great opportunity. You have an opportunity to rise from being politicians to being statesmen, to being people who have considered all sides of the argument and have acknowledged that there is a point: "Yeah, these glasses don't fit you. Your situation is different. Being mostly city dwellers we kind of missed that. Thanks for bringing it to our attention." That's, of course, what needs to happen.

Now, personally I've got my own little generator. It's an industrial-quality generator that sits behind my house in the event that the power does fail, not because we don't have enough transmission lines – let's get that straight – but because sometimes the wind blows lines down and sometimes heavy snowfall or lightning or other problems knock out a transformer so that we're without power for a while. A couple of winters ago in Stirling we were without power for three days. I sure didn't think we needed $16 billion of transmission lines to correct my power outage. The guys from the power company worked hard to get the lines fixed and get them restored. In the meantime I didn't have to watch television by candlelight. I could turn on my generator and have all the comforts of home.

If the prices rise as predicted, it may be cheaper for me to generate my own power because at the price of natural gas I could be able to do it and transmit it from my back shed to my house a hundred feet away a heck of a lot cheaper than it's going to cost me to pay the transmission portion of my own power bill. I suspect that others may discover this is possible, too. I think it will be industrial users, communities, cities who may decide that in order to keep their city competitive, they need to build a transmission line. Will they have to borrow to do it? Of course, they will. But they'll justify it by the return on investment that they'll get, a demonstrable reduction in their power bills.

I think that sometimes we allow certain voices within our society to gain more weight or more volume. We give them a loudspeaker. We give them a forum for their pet projects and their special-interest needs. I think sometimes in a genuine and legitimate desire to protect our environment, we allow those people who are environmental extremists to have more sway on us and to take more opinion because they get good press. But when we analyze some of their arguments, sometimes they don't hold water. Sometimes they aren't in the best interests of the public. They're not in the public interest.

Nevertheless, they've been granted a forum because people become afraid to criticize. It isn't PC – it isn't politically correct, or it isn't Progressive Conservative – to stifle these voices or to be seen to be stifling these voices when, in fact, it's a part of what you ought to be doing and is part of your responsibility when you have the privilege of governing. It's a privilege, incidentally, that is not granted by divine right but by the consent of the governed, in this case, again, less than 50 per cent of the governed, which gives you an opportunity to step forward and say: "We are the government for all the people. We do want to hear from those you've elected who have a different perspective because of what you've asked them to bring forward."

This environmental voice, which is an essential voice, nevertheless can be extreme. Extremism in the defence of any position is rarely justified. You may need to speak a little louder to get someone's attention, but when you've got it, you need to respect their right to weigh in on the topics and not be so dogmatically confident that only your opinion is right. I think that's a disease. I think some in this House have caught that disease whereas we humbly stand up to represent the wishes and the needs and the interests of the families, the interests of businesses, the agribusinesses, for example, and the interests of all industrial and commercial consumers. We stand up and speak on their behalf because we think that the true small "c" conservative voice needs to speak out on behalf of all who feel that way. That's what we're attempting to do.

We appreciate this forum. Again, you're providing us with this wonderful opportunity to speak. What the people are hearing, whether you're hearing it or not, the people who are at the grassroots level, the people that are impacted by the consequences of your decisions that disregard their concerns, is that somebody is a voice for them. The little man has a little woman. The little guys and gals in our society have a voice. There is somebody speaking out on their behalf. And we're honoured to have been elected to do that. We appreciate you using this tactic of having us speak all day and night. Perhaps this will go on for several days. I have no idea. We're up to the task. We have a plan. We can do shift work.

This isn't just a little four-man radical group that you had to face in the last Legislature. We have the wherewithal. We have the power. We have the commitment. We have the principles that are inspiring us. We're receiving on our iPhones and our computers an incredible number of e-mails that are critical of this tactic of yours and supportive of our efforts to continue to lobby and act on their behalf.

9:00

The Chair: Thank you, hon. member.

I'll recognize the Member for Calgary-Buffalo.

Mr. Hehr: Thank you, Mr. Chair. As always in here when you listen to debate and you hear different things that come forth in the Legislature when discussing amendments and in this case the amendment on the Electric Utilities Amendment Act, you're sometimes surprised. Sometimes you learn things that you may not have felt you would learn and the like.

You know, I was struck by some of the things that were said by the last speaker and, in particular, the reference to the Lethbridge utilities, their history, and that how they operated actually worked. It seemed to me that the last speaker, who is a member of the Wildrose caucus, was essentially recognizing that sometimes there is a need for government to be an organizing structure in people's lives. Sometimes that occurs in cases of transmission and electricity production. It struck me that the last speaker was looking at the public interest and longing for the good old days of governments running electricity systems. He hearkened back and longed for the days of the Lethbridge government being involved in the production and supply of electricity.

I was surprised by that, maybe, because of some of the misconceptions we have of political parties. My thought was that the Wildrose Party was essentially a party who believed in governments staying out of business and handing everything over to the private sector and the like. But I'm glad to hear that at least some members of that caucus recognize that there's a need and a role for government, and sometimes that's in the form of making citizens' lives better. Sometimes things are done at least through a societal organization or for ensuring that access to fairness for not only the wealthiest of our citizens but the poorest of our citizens is done in some fair and equitable manner. Sometimes that is done through the provision of electricity. Let's face it. Electricity is something that in this society you need, whether you're rich or you're poor or otherwise, and sometimes the vagaries of the marketplace disproportionately work against those in economically challenged situations.

So I'm glad to see that at least that member of that caucus believes in government being involved in some aspects of the economy and some aspects of performing things that all of our citizens need. I was glad to hear that, and I was unaware of that from that political party. It's good to remember that we sometimes have to take our blinders off when we're assessing what actually we all mean here.

You know, if we go back here, I thought it was a mistake when this government deregulated the electricity market, and you see over the course of the 12 years that that has not been the wisest of decisions. After we privatized the grid in early 1998, you immediately had spikes in electricity. The market was not working. It was not working efficiently or anything like that, and the government of the day at that time actually recognized that. They recognized that by writing cheques. They didn't like the fact that electricity prices spiked overnight. They didn't like the fact that the electorate recognized that almost overnight they were paying higher power bills in a deregulated system than previously in a regulated system. Because of that, our government then started writing cheques to individual people to subsidize the price of their electricity, all because of a mistake they made in a fit of ideological furor to privatize the grid. They fell into the zeitgeist of the times. They believed the Enrons of the world, that cheap energy was just in the hands of the private marketplace and that all things would be great if you just got government out of the way. Well, they were sorely wrong.

If we look, billions – literally billions – of dollars that should have been saved in our heritage trust fund or in some other form or fashion or invested in education went to cover up a government mistake. It went from this government having royalty wealth at its disposal, and it covered up their mistake. Instead of using this money more judiciously, more wisely, they chose to paper over a fundamental mistake in their thinking. They spent those billions of dollars subsidizing people's electricity rates because of a mistake they made.

That is an example of where the billions of dollars that this government has brought in, some $350 billion or so in non-renewable resource revenue, has gone. It's gone to paper over mistakes they have made because of some of the ideological furor that was around in the 1990s, early 2000 period. Mistakes were made, and they spent all that money trying to rectify those errors. That is a cogent example of where our billions have gone: the subsidization of electricity rates when they should have left the electricity grid system alone. It was working fine. There were no challenges. We had some of the lowest bills per household in the country. It was simply doing something to do something when there was no problem in the actual workings of the system.

Twelve years later here we are. I am of the full view that it'll be very difficult to reregulate the grid. Sometimes when things are undone, they simply can't be done again. You know, I haven't been convinced of the argument that they can, but we can make that system work better.

I got a call from a constituent of mine, Mr. Nick Clark. I believe he's in communication with the Minister of Energy on a regular basis. He informed me of going to the Charles River report. I look at some of our challenges on our electricity system. We have mass fluctuations in the pricing mechanism on almost an hourly basis. We know how that system works. Some people submit low bids into the system; some people submit higher bids. But on an hourly basis everyone gets paid on what was the highest price paid for electricity in that hour. The problem with the system is that everyone knows what everyone else is bidding. It's an open system, where everyone understands what everyone else is bidding. So at the end of the day they pretty much know what they're going to get paid. That's how we're getting mass fluctuations on an hourly basis, not really reflecting the true cost of energy production in this environment.

The Charles River report, that I mentioned and that my constituent Mr. Nick Clark continually brings up, brings up the New Zealand system, which has a blind system of submitting energy into the marketplace. Other competitive markets don't know what companies or organizations are bidding into the marketplace. This allows for a more efficient bidding process. It allows for less gerrymandering in the pricing. At least, in the New Zealand case it allows for electricity to be sold at a price more commensurate with what the actual cost of production is. I'm hopeful – and I'm certain he is because he receives e-mails from Mr. Nick Clark as well – that when we do see the changes to our electricity pricing mechanism, going to the New Zealand system, one that is proven more efficient and is seen to have been more beneficial for the consumers, will in fact happen. I know the Minister of Energy is listening to my comments with very much vigour and enthusiasm, so I'm certain he will consider that at the end of the day.

9:10

I do take a little bit of umbrage in one of the comments made by the former speaker in saying that there are now 17 Wildrosers, not simply an opposition made up of radicals. To be honest, I don't consider myself a radical; I consider myself a fairly pragmatic

realist. I think I understand the challenge of the government. I think I understand the role of health care, the role of education, and the fact that we have a fiscal structure that is essentially broken and the like. Viewpoints expressed by other members of this House are not necessarily radical. They may be outside the mainstream, you know, but I really don't think so.

Essentially, if you look at blind polling of policy positions, our policies are very well accepted. Now, when you get labels thrown on things, well, then it's a little bit different. But if you look at a policy perspective and what people actually want from their lives, please don't look at my views as being radical because they're not.

Especially we see the Wildrose Party, some of their speakers, essentially saying that they want no school fees. That's a Liberal policy position. It's a Liberal policy position that we see public education as something that should be covered from government expenditures. If they had bothered to do research on the party, it is. They ran for a party under a leader who said school fees should be passed along to the end-user, that government should have a limited role in the provision of education, that people should take more of a pay-their-own-way situation when it comes to going to public education facilities. So I'm not sure. The way I hear people talk, at least on that side of the House they sound a lot more Liberal than their advertising goes. Nevertheless, you learn some things when you listen to debate, and those are some of those things that we discuss from time to time.

Let's look at the amendment. The amendment goes some way to trying to create some clarity and some rules of the game for people to follow when they're assessing a transmission system. Hopefully, it will add some clarity to the Albertans out there who wish to get more information on how our electricity transmission system will be created, what its goals and functions are and the like. So I think it's an amendment that is worth considering.

But let's also just get back to a couple of things. It's strange sometimes, Mr. Chair, how your mind works. There was a long speech that I think was referring to property rights and things of that nature and the Ombudsman and the like, and it was along the line that property rights had been entrenched in law for centuries. In fact, that is really not the case, okay? Governments have always had the ability, rightly or wrongly, to do things in the public interest, to do projects or things that needed to be done in the public interest.

For instance, there is a road in my community, Crowchild Trail, that will be expanded, that will probably cause 300 or 400 people in my constituency to pack up and leave. Is that nice? No. I'm not saying whether it's right or wrong at this time, but those are the things. If the city government looks at this as something that in the main a million citizens are going to need at the expense of the 300 homes, sometimes governments need to do that. What needs to be recognized is that there has to be an open and transparent hearing process, that the people affected will have an ability to speak and be allowed their arguments as to why this may not be in the best interests of the community, and they have a right to a fair value for their properties if the city takes them over.

That's no different than what the provincial government does. The provincial government has the right and the responsibility to do things in the public interest, okay? Sometimes that means a cleavage with individual landowners, individual companies, and the like. But governments have always had the ability. What they have to ensure is that people are given the right to be heard, the right to protest, the right to bring up things, the right to fair compensation. In the main those are there.

The most cogent example of governments being able to do things in the public interest is marching kids off to war. They have had that right. They will continue to do that in the future. You know, they'll march you to war with a bayonet attached to your butt, saying: you go fight. Okay? Governments have that power. I'm not saying that it's always nice. I'm not saying that it's always pleasant, those things. But governments do have that ability to do them, and I don't necessarily think we should be tying their hands when doing things in the public interest. The hon. Minister of Justice, who I see here this morning, has fully brought up the fact that we have an Expropriation Act here in this province that tends to do some of these things.

I understand that we need a process where people's complaints are heard. I understand that there is a need for the government to be open and transparent and allow those contentious issues to be discussed. But at the end of the day governments need the ability to do things in the public interest, and the big things sometimes have that cleavage with individual rights. That cleavage will exist regardless of who is in power or the like.

So I will point this out. There always will be a tension between private landowners and the public interest in moving great things. The thing is to do it in the public interest, in an open and transparent fashion that allows everyone to know the rules of the game and allows people to be fairly compensated.

In my view, right now the Expropriation Act allows for that, okay? When we go all hyperbolic on this issue and the like, remember that there are systems in play that allow that. That doesn't excuse the government for what they did on bills 19, 24, 36, and 50, which I will agree were not good bills. They really took away some of that openness and transparency, took away that ability to have concerns met. That was wrong, yet at the end of the day governments need the flexibility to do things in the public interest that allow for people to be heard and fair compensation to be paid, and if we have that system in place . . . [Mr. Hehr's speaking time expired]

9:20

The Chair: Thank you, hon. member.

I'll recognize the Member for Little Bow.

Mr. Donovan: Thank you, Mr. Chairman. I'm getting up and speaking on part of the amendment,

> whether the need of Albertans for critical transmission infrastructure can be met by the application of non-wire solutions or, in any less expensive but equally satisfactory way, such as upgrading an existing line, building electrical generators closer to the load and programs to reduce the load.

The Chair: I was just wondering, hon. member, if you were on the amendment.

Mr. Donovan: Yeah, I'm on the amendment. I just read (2)(b). I was just reading out verbatim.

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

Mr. Donovan: I'm all for policy, Mr. Chairman. I appreciate that we all keep on that because we wouldn't want to be here just talking aimlessly about events just to kill time.

Some Hon. Members: No, no.

Mr. Donovan: I don't think there's anybody on either side of this floor who would like that.

Speaking to that, it brings me to an interesting conversation on this amendment. In southern Alberta there's a southern Alberta waste energy coalition – ironically, it's where a lot of this side of the floor was voted in – which has tied a lot of the facilities

together for waste. The concept of that is that we have so much waste, so let's cogenerate or come up with some way to make use of it instead of burying it for our children and grandchildren and grandchildren's grandchildren, as I've heard people talk about before. I don't think that's a viable way to continue on in the world.

Now, in saying that, I think we need to have some direction from this government and probably from the Minister of Environment and SRD to not allow landfills anymore. When we start giving more licences for that, it allows industry to think that that's still a viable way to do it. We have the technology out there which would feed energy back into the grid, which would allow people to be able to make use of the waste, probably using some off-sales steam and whatnot off that to run generators to pump back into the system. Again, it would use the existing lines that we have, which is also part of this amendment, and upgrade them.

If you go to the United States, they use the same corridors on a lot of stuff. If there's a situation where there's a power line and they feel it's not being used adequately or it needs to be upgraded, they go through the process of putting up more lines. It depends who you talk to as to what kind of waste there is off that, what kind of loss there is. There's talk of 5 to 10 per cent, but I've been assured by quite a few people that there's not that much loss to things.

When we talk about this bill and this amendment of that, this leads to the idea – I revert back to my riding all the time – of not wasting prime agricultural land where we'd be putting in transmission lines that I don't feel are crucial or needed unless we have a needs assessment. Bill 8 touches on the needs assessment on future lines, but it's not talking about ones that have been passed here in the last three to four years. I know that I'm going sound like a broken record on it, but where there's prime agricultural land, I think we have prime ways to deal with it whether it be wind energy or waste energy.

The key to waste energy is getting the buy-in from this government to promote that instead of promoting landfills. Before I was elected, there was a large issue in my riding where a large company wanted to put in a landfill near the hamlet of Blackie. There was public outrage and rightfully so because we're looking at burying something where we don't need to. There are means and ways out there to keep the tippage fees cheaper and not put this back into our land and potentially poison our water source.

We've always talked about how whisky is for drinking and water is for fighting over. I think this is a key thing, and I think that shows . . . [interjection] It's true. There have been lots of wars, and what people will fight over continues on in the world today, and water is key.

I think this is something that when we look at this – this amendment leads into that with section (2)(b) and building electric generation closer to the load lines just in case anybody thought I was getting off topic with it. I wouldn't want to be wasting anybody's time in here by going off topic at any time.

An Hon. Member: Are you sure?

Mr. Donovan: I'm positive about that.

The key to it, when we're doing this, is that we start building the generation where it's needed rather than putting in transmission lines that aren't needed. This goes back into that. Are they critical? I guess it's just like going to the hospital. If you're critical, you're going to get dealt with quicker in the emergency room than if you just happen to have a cut or a broken limb that can actually sit and take time and doesn't need to be dealt with. We take a doctor's word for what's critical and what isn't critical, yet we're not willing to listen to the experts in the industry as to what's critical for transmission lines.

I think, in all honesty, we've got to sit back and listen to the people. Bill 8 is a great piece of legislation because it's identified whereas in Bill 50 we didn't identify critical transmission lines. I understand Bill 8 is moving forward on that, but I think we have to look back a little bit and figure out all of the lines that we've approved in this province that are not critical. Again, this is near and dear to my riding and also Cardston-Taber-Warner's riding, with the MATL line that went through and the Picture Butte line that they're talking of right now going through prime agricultural land, divvying it up, and not even looking at the idea if it does need to go there.

If you go to Europe and you talk with people, they bury power lines over there. Yes, it comes at a cost, but what is the economic loss of parcelling up good agricultural land? That is a key issue in my riding, and that's what I'm here to represent, the people of my constituency. In saying that, that's what we've got to look at. Are we divvying up these parcels of land for critical power lines? The question is: are they critical? I go right back to Bill 8. We've identified that we need to do a needs assessment on what critical lines are from here on, but why are we not looking back at the ones that have been approved but have not started yet?

The question lies therein: how much does this government get back for the assessments? It's been proven – it's fact – that these companies are getting 9.25 per cent return on their investment. I think it'd be great if I could dump money back in. That's a guaranteed investment for them because it doesn't matter whether they are running a TV ad, a commercial in a local newspaper, which is good for the economy – don't get me wrong – or anything else. They sit there, and they run all of these ads and are guaranteed 9.25 per cent with absolutely no regulator, nobody on top of how many times they run the ad, how many times they do a public forum, how much of any of those things. They just keep doing it and doing it.

That's the problem. There is zero accountability to what they're doing. It's my understanding that they can sit there, they can run many ads, and they can do as many things as they want because as soon as they spend the money, they are guaranteed 9.25 per cent return on what they're doing. So this is where I'd always like the clarification on these things. If that's the case, my question is: who regulates? Who is the watchdog that watches what they do?

I'm very fortunate in my constituency. I get my power from South Alta REA. The nice part of an REA is that there is local control because you have local board members. Again, you get voted in, which is accountability. There's transparency because you're actually talking with neighbours and friends who are in charge of these things. It goes back to local decision-making, which I think is key. I think that's what's gotten lost in this, in our government so far and where our province is headed at such a fast pace. I understand we've grown quickly, but when are we going to start being accountable to the people that are paying the bills?

As I say, I'm very fortunate with South Alta because it's an REA. I mean, our Agriculture and Rural Development minister is still part of the process of that because some of the funding goes through that because of the way they're structured for their lending amounts. But they only build on what's needed. They are a very well-run organization. They don't just buy a new truck every year because they can. They go over a needs assessment. Is that needed? Are the power lines needed that they put up? Those are the things we have to work with.

There's nobody in this province who wants to go without power, and I don't think we're at that point. There's always talk about whether we're fearmongering on this side – the power's going to go

out and everything else – and we fight the one side, and the government, obviously, fights the other, but the question is always raised: who's right? Until you have a separate, independent needs assessment, nobody's going to know. I mean, so far while I've been here, I haven't seen the lights flicker yet, so I think we're probably okay in this facility. I think we're probably okay in most of this province.

9:30

The question is: where can we start putting generation close to where it's needed? Then you don't need all these expensive transmission lines. The question was always raised in my constituency: are these lines just being put in because they're guaranteed money? Because there's no watchdog. There's nobody telling them where it needs to go. I think this government started to listen just a little bit because I think they identified that Bill 50 was not working out to the point where, you know, there was quite a swing in what the opposition looks like now. I think that's due quite a bit to Bill 50, Bill 36, and Bill 19.

I give Bill 8 full credit for that, that they've identified that Bill 50 was not working for a needs assessment. I guess from what I hear from my constituents, especially in the south end where there is a new line proposed in the Picture Butte area, which again severs up excellent farmland, does not have local buy-in, and does not have a needs assessment – they have a green area coloured in on a map saying that we need wind power, and it could be future wind power. I'm all for that. I'm all for making a better carbon footprint, so we don't have as much of a footprint in the world. I get that. I think there's not one person that's not for that. I think we've identified that.

The question is whether the technology is actually good on wind power. I mean, right now, say when I was reeve in the county, we had one company come in, and they've actually downsized how many towers they need by up to 30 per cent because technology has changed that much in three years. You know, I think the technology has changed to the point that in another five years or 10 years or 20 years from now is wind energy going to be viable, or is there going to be something better out there? Thirty years ago a lot of people weren't talking about wind energy or solar energy. It wasn't something that was dealt with or talked about.

You sit there, and you look back at the whole process, and you think: what could be next in 20 years? I get that we plan ahead – and we have to plan ahead – but is it critical right now? That's one of the key things that I think Bill 8 brings, the critical need for it. But we need to go back and assess the ones that have been licensed. Are they needed? Are they critical? I mean, we've watched this government go back on other contracts, so it's not like we can say that it's going to be the end of the world if we go back to some of these producers that have put in the AltaLinks of the world and say: "Jeez. I know we gave you the contract for putting in this power line, but we really truly need to do a needs assessment and decide if it's critical. Is it critical transmission that's needed in this area? And is it for Albertans, or is this just going to be another line that's set up to sell our power to the States?"

If there's a business plan for that, make it and don't try hiding it. But if we're putting this in as a transmission line to sell to the States, in my constituency that's not wanted. And if it is wanted, I guess, I'd open it up to all my constituents to please let me know by e-mail or phone call what they want. Again, I'm here to represent what my constituents want. Now, overwhelmingly I've heard over the election period and over the summer, visiting with lots of people, what people want.

The fact is that we can go back. We can change these power lines that have been given the right to go through near Picture Butte and along the coulees there and sever up excellent agricultural land. It's not like we can't go back on an agreement or a contract. We watched it in Fort Macleod. We watched where there was a contract signed, there was sod turned, and they went back on it. That to me isn't the end of the issue here if we can identify that it's not needed. I think it's a due diligence here to identify what needs to be done or not done. It goes back to, you know, upgrading existing lines.

You go down to the United States. You go all over. They have corridors. The hon. Member for Rimbey-Rocky Mountain House-Sundre has some valid points about doing a corridor on the east side of Alberta where you have power lines and gas lines and oil lines go down it. Now, I know some people might not think that's the way to do it, and some do, but I think we need to have the debate around here and bring the experts in and talk to them and lay out what's right or what's wrong. By no means am I an expert on it. I think it looks like a good idea. When you go down to the United States, there are all kinds of corridors along there. You know, they put numerous power lines together so you don't affect large areas and you don't wreck good agricultural land. I mean, it just makes sense to me. It's good planning. It's a good thing for what we need to do in this province.

I mean, you've got to sit there and actually look at what's right. You've got to sit sometimes and put your political hats to the side and not say: well, this is what we've done; we already did this three years ago; we're just going to keep forging ahead, even though it's wrong. I don't think anybody in this House thinks that. I truly don't. I think we're all here for the common good. I think we're here for the right reasons. I think we need to sit and listen to what people want.

Now, needs in this province bounce around quite a bit. I mean, it depends where you are in the province and what's needed. We have an excellent source of energy in the north end of this province in Fort McMurray. I've had the opportunity to tour the Suncor plant up there, and I think there's some excellent progress being done up there. To the two members from that area up there: I think it's a huge economic driver in this province, and we can't fight that. But we don't just sit there and clumsily plan everything on it. I think that's where we're failing here on these electric transmission lines right now. I think that's what Bill 8 is bringing to it. It's identified the errors we did in Bill 50.

This amendment on Bill 8 brings up upgrading the existing lines. When towers are already in place – and I'm by no means an expert on this – can we hang more wires on them? Can we upgrade the wires to be bigger to have more transmission down them if that is what's needed? Just to put up a line to put up a line, to say that there could be wind generation in this area 20 to 30 years from now, is that truly a good plan?

If you're the company building the power line, of course you think it's a great plan because you get a 9.25 per cent return on your investment. It goes back to what the Member for Chestermere-Rocky View spoke of earlier. If you were guaranteed that – there are a lot of people in here that are not getting that kind of return on their RRSPs, whether they're putting in the money themselves or the government pays it all. It's still a return that people are not getting.

Mr. McAllister: It's even higher than 8 per cent.

Mr. Donovan: Yeah. It's better than a pay increase of 8 per cent, which some people think we possibly could have gotten here in the last Members' Services stuff. Again, that's still being identified so I can't talk about all that.

You know, the concept of that is: is this right? As a taxpayer in Alberta do you think it's fair to go out and put up lines that may or may not be needed when you're giving a company a guaranteed return of 9.25 per cent? If those are the correct numbers, which I've been led to believe, I don't think that's right. I don't think in any way, shape, or form you can look any of your constituents in the eye and say that that's a fair deal for Albertans. I'd like to know who makes those contracts. Who signed up? We only really have two major players that do power lines in this province. They've got a pretty sweet deal.

There are even members on that side of the floor that maybe weren't on that side of the floor a couple of years ago that had the question raised in this House. Their questions are in the *Hansard*: is this right for Albertans? You know, that's always the question. Can you look back in your constituents' eyes and say that this is right? Then you go back to the accountability and transparency of it. Who's watching this? Yeah, there's an advocate. There's talk of a watchdog in here. I'm not sure exactly what they're going to do for us other than maybe pour you a coffee afterwards and tell you it wasn't a good deal. But the question goes back to: is this right for Alberta? I argue the point that I don't think it is without actual needs assessments, and we don't have the needs assessments in hand.

Again, we've identified in Bill 8 that we need to do this going forward, but at what point did we decide the last five or six years weren't needed? Questions arise. You know, what kind of deals were made? There are two large power companies that basically get to run free. Who's in charge of them? I throw that question out to any members across the floor that have an actual, viable answer for that: who's in charge of these needs assessments for these transmission lines? We've identified that they've gone up in price. There's talk of 16 and a half billion dollars of infrastructure needed. Who says it's needed? Some say it's only 3 and a half billion dollars.

Thank you.

9:40

The Chair: The hon. Member for Lac La Biche-Two Hills.

Mr. Saskiw: Thank you, Mr. Chair. I rise in support of this amendment A1, which essentially further delineates the inclusion of public interest.

Just on a general basis, I mean, we're here today debating bills in Committee of the Whole. We've been here for multiple hours, and I think the overall reason for this is that in Alberta we actually sit in the Legislature for the fewest number of days in Canada. That's a problem because not only is there no accountability the fewer days you sit, but you also are forced to rush through legislation and stay late because it's a pretty aggressive agenda in terms of the number of bills that are going through here. I think the number of days is 40 or 45, which is by far the fewest number of days that any provincial Legislature sits.

Going to this amendment, this is, of course, an amendment to Bill 50. How that's relevant in terms of this amendment and Bill 50 is that I think Bill 50 was forced through the Legislature because of the fewest number of days; hence, the need for the amendment in Bill 8. To some extent I think the Wildrose caucus is flattered by Bill 8 because it is essentially a reflection of what we've been arguing for the past two years, which is that in determining transmission capacity, that should be decided by an independent Alberta Utilities Commission, not by cabinet.

With respect to amendment A1 in subsection (2) it makes it mandatory. The wording is "shall." The Alberta Utilities Commission shall look at whether or not a proposed transmission line, whether there is a benefit that may accrue to Alberta.

> (b) whether the need of Albertans for critical transmission infrastructure can be met by the application of non-wire solutions or, in any less expensive but equally satisfactory way, such as upgrading an existing line, building electrical generators closer to the load and programs to reduce the load.

Of course, under subsection (c) there's a requirement to look at the public's social economic interest and benefit.

I think if we had an amendment like this two or three years ago and the Alberta Utilities Commission looked at the proposal to build these $16 billion of transmission lines through untendered contracts, it very well could be that these lines would not be built. Unfortunately, the decision to build transmission capacity was taken away from the Alberta Utilities Commission and put into this cabinet here. I don't know how many cabinet members in this room were part of that decision, but none of them here even today have the requisite expertise to make such a decision. That's the main problem.

I think Bill 8 is meant to address that issue. This government has clearly admitted that they had a wrong approach, that they were mistaken, that the approval of transmission lines being put into cabinet was not the right decision. It was a terrible mistake. But, unfortunately, Bill 8 doesn't go retroactive to the decisions that were already made. We have a situation now where there is $16 billion of transmission lines – there are already cost overruns – through untendered contracts and through a flawed process, yet this government is just going through.

For the Energy minister, I don't know why he has to continue this legacy. The Premier was in cabinet, but this is somebody else's legacy, a flawed legacy on Bill 50. And we shouldn't continue with that type of flawed approach. We're starting to see the effects right now. Power bills are going through the roof. They've more than doubled in the last few years. The inclusion of $16 billion of untendered contracts for transmission lines will only increase the power bills as we go forward. You know, three and a half years from now people are going to say: "Okay. Why did our power bills go through the roof?" It's because of these Bill 50 transmission lines. If they're not necessary, don't build them. If they're not in the public interest, don't build them.

Unfortunately, we had a situation where despite every other jurisdiction in North America that has an independent utilities commission – sometimes they're not called a utilities commission. They're under another name. Every other single jurisdiction had a requirement that on important decisions such as transmission capacity, those would be decided by an independent body that has the expertise, not by politicians and not by cabinet. But this government decided to ignore that long-standing practice in all of North America and put the decision to build $16 billion of transmission lines into cabinet, not looking at any evidence, not having any expertise. That, I think, is a shocking circumstance. I think that it's going to be a legacy that wears on future generations and current ones. Even though that cost is going to be amortized over a long period of time, we're going to start seeing even more effects on power bills.

It's fixed charges. A senior who's living in a house can turn off her lights, maybe use the stove less. She's still going to have to pay increased power bills because the Bill 50 transmission costs are a fixed component on the bill.

The government has admitted that this is a flawed process. We should have the Alberta Utilities Commission look at need, not cabinet. The government in Bill 8: the Energy minister clearly said that this is a reflection that it was a flawed process. It was a mistake. If it's a flawed process and a mistake, why don't we go back and look at those $16 billion transmission lines? That's a lot

of money. If you compare that to our health budget, it's a huge amount of money that is potentially wasted. I think it's important that on such huge decisions we go back and say: "Okay. This was clearly a flawed process. Do we actually need these transmission lines?"

Mr. McAllister: Get it right.

Mr. Saskiw: Get it right. If the Alberta Utilities Commission looks at all the evidence and says, "Yes, we do need these transmission lines," that's another story, but for the decision to be made behind closed doors in cabinet on this type of decision, where no one in that room had any expertise on electricity transmission, is shocking.

The other side of it, of course, is property rights. Through Bill 50 they took out a bunch of property rights that landowners have traditionally had through the Expropriation Act. I talked to various counsel in Alberta, and my understanding is that this is one of the first times when a government has just completely eliminated and extinguished property rights by removing key provisions in the Expropriation Act. Of course, there are innate rights within land and property, but those rights are codified in the Expropriation Act. If a government takes your land, you have these rights. You have various heads of compensation that are specified in the Expropriation Act, and you can go to court and say: "Look, the government took my land. I'm entitled to these types of compensation."

Not only did they take away those rights to compensation; they also eliminated the right to go to court. There's a privative clause in the legislation. A landowner has a line going through their land. The government didn't have to prove that it was needed. They took away their rights to compensation. Then they took away their rights to go to court. What type of government does that?

You know, at that time it maybe could be forgiven. Albertans trusted that their government wouldn't do that to them, that they would look out for their best interests. When there were meetings across the province, it became really self-evident that the MLAs didn't know what was going on in the bill. They hadn't read the bill. The minister had read the bill, but the MLAs just didn't know what was going on.

9:50

Bill 8 is a reflection that, clearly, it was wrong. The government has now found out that, yes, people apparently didn't read the bill, didn't know what the ramifications were. But now that that mistake has been identified, let's go back and say: "Okay. Should we be building a $16 billion transmission line?" I think that's an important attribute.

Going back to why I think Bill 50 came about, my understanding is that many members got the bill essentially the day that it was going to have first reading. There was very little caucus debate. When you add on that the fact that we sit the fewest number of days in Canada . . .

Mr. Rodney: Add around the clock.

Mr. Saskiw: Around the clock. Well, I think it's pretty disturbing if the member opposite thinks that going around the clock actually makes good legislation. I don't know. Maybe you're a superhuman. You've climbed Mount Everest.

But it's still very difficult to actually create good legislation. This amendment to Bill 8 actually does create good legislation.

An Hon. Member: Are you saying that we don't create good legislation?

Mr. Saskiw: I've got the floor.

The Chair: Hon. member, the Member for Lac La Biche-St. Paul-Two Hills has the floor.

Mr. Saskiw: Bill 8 amends Bill 50. Talking about how we used to have the Alberta advantage, part of that advantage was low power rates. What I think this amendment will do is help to lower power rates because what you're going to see is that the Alberta Utilities Commission will have to go through each and every one of these provisions. It will have to look at alternative solutions. It will have to look at nonwire solutions. It will have to look at less expensive solutions when it comes to transmission capacity. These types of things will actually help reduce the power bills, which will make Alberta a great place to live and help create an Alberta advantage. Unfortunately, over the last several years, after 41 years of the same government, that Alberta advantage has been lost.

Now, going back to the amendment, subsection (2)(d) requires the Alberta Utilities Commission to look at "reasonable and economic operational alternatives to minimize system constraints, giving consideration to technical efficiencies, reliability and capital costs." I think this is a common-sense type of amendment that the members opposite should definitely consider. This amendment goes further than just reversing the clouded decision-making that went on with respect to Bill 50. It goes even further than just requiring the Alberta Utilities Commission to look at whether or not certain transmission lines are needed. It goes further. It provides a set number of requirements. It's in the mandatory, not the permissive. It says: shall look at these requirements. You know what?

If the Alberta Utilities Commission doesn't look at these requirements, then there's a legal challenge saying: look, you didn't properly look at the requirements that were set out in the legislation, and that decision should be overturned. It far exceeds what happened previously, when the decision, again, to build $16 billion worth of transmission lines fell on a few select cabinet ministers behind closed doors, resulting in one of the worst decisions that our province has ever made.

What I think we'll see going forward with respect to amendments like this is that as time goes on, Albertans are going to become even more educated on the issue of transmission lines, and the reason is that their power bills are skyrocketing, and they're going to skyrocket through the wintertime. You have seniors whose bills are going up and up and up, and they're now going to find out that the previous decision to build $16 billion in transmission lines was flawed, and as a result of that flawed decision-making their power bills are going up. I think that's going to be a critical decision going forward. Do you want to have your power bills up as a result of flawed decision-making within a PC government, or do you actually want to have evidenced-based decision-making, where you go to the Alberta Utilities Commission to actually see whether or not these transmission lines are needed?

I had a local issue in my area, in St. Paul, where a bunch of landowners just recently were told that a transmission line is going to go on their property. If there was an amendment like this, A1, it would a different story because in that situation the Alberta Utilities Commission would actually have to determine whether or not that line is needed. They'd have to go through all of these different factors. Some of those factors could be cogeneration. There could be other factors in there.

Unfortunately, we had a meeting there. There were ATCO representatives. They were just there to build the line. Every single constituent of mine said: "Do we need this line? Do we

actually need this line for our power needs?" Because amendments like this weren't in there, they couldn't answer it. So we're going to build a line without having to prove need. Property rights are going to be taken away without having to prove need. Expenditures are going to be made without having to prove need. That flawed decision-making as a result of this government is now working its way through decisions that have already been made.

Let's go back to all those lines that were approved without having to go through the independent Alberta Utilities Commission to determine whether the lines were needed. Previously one of the members had mentioned a critical transmission report and the alleged fact that that had somehow proven that the lines were needed. Unfortunately, that committee was hand-picked by the Energy minister. The chair of that committee was a long-time PC insider, and that's fine. If that person actually had the requisite expertise on transmission capacity, fine. That's fine. But, unfortunately, what happened with this committee: no one had the required experience, and they didn't look at any evidence. They had four very vague questions. We're going to base a decision to build $16 billion worth of transmission capacity on a committee without the requisite experience and without looking at any evidence.

If there's a flawed decision-making, it's continuing on to another flawed decision-making. Bill 8 actually, going forward, gets it right. It forces the Alberta Utilities Commission to look at whether transmission lines are needed, so let's go back to those previous decisions, that were through the flawed process, and revisit them.

[Mrs. Jablonski in the chair]

I think that when this amendment says under subsection (c) to look at the "public's social economic interest and benefit," that could be read to actually look at whether industry needs this power. Again, if we had had this amendment in place previously, there's no way that these lines would have been built. Industry – and, again, this is a big, big industry, that consumes a lot of power, whose business relies on power and a stable supply of it – went to the former PC caucus and said: "We don't need these lines. If you build these lines, Alberta is going to be less competitive. If you build these lines, the only losers are going to be consumers."

So in that circumstance I think this amendment goes a long way. It requires the Alberta Utilities Commission to actually consult with key industry players, key consumers of power, consult with the public, and look at whether or not the cost to produce a line is warranted and in the public need. Of course, here is an inclusion of public interest.

With that, Madam Chair, I speak in favour of the amendment to Bill 8, and I hope that the colleagues across the aisle will consider it as well. Thank you.

The Deputy Chair: The Member for Edmonton-Beverly-Clareview.

Mr. Bilous: Well, thank you, Madam Chair. I rise this morning to speak in favour of this amendment for a number of reasons that I'll lay out. I find this amendment quite interesting. Coming from a government that is supposedly open and honest and transparent, you've got a bill which just is a testament to the fact that this government made a grand mistake years ago when they brought forward Bill 50.

I think what's interesting is that although this government through their actions through Bill 8 may think that Albertans are fools and won't see that they're trying to close the barn doors long after the horses have left, Albertans will see through that and see that now four different major infrastructure projects have been rammed through. To go back and now make changes to legislation that clearly didn't take into account the public interest, the public need, and what was in Albertans' best interest?

10:00

We've heard from numerous speakers already about how these transmission lines, you know, have taken away certain property owners' rights. They're going to actually increase costs and download costs onto consumers and onto Albertans. It's unnecessary and shameful. Once upon a time, not too long ago, Alberta used to have a regulated electricity market, and we had some of the most competitive rates in the country. Due to the wisdom of the government of the day, or in their view their wisdom, this market was deregulated. Unsurprisingly, costs spiralled upwards. So it's with great frustration that we do have some of the highest rates in the country, considering Alberta's capacity to generate electricity.

I think the amendment speaks to things like having a needs assessment, ensuring that with these infrastructure projects, when we're talking about energy: first and foremost, is there is a need for them? You know, studies that I've read have indicated that there wasn't a need for these major lines to have been approved had we looked at generating energy closer to the source as opposed to shipping it across the province and setting up infrastructure, which really looks like preparing to export much of our energy to our southern neighbours masked in this idea that it is needed in Alberta. A needs assessment is something that is crucial, again, and consulting with the public and looking at the public interest.

Interestingly, in the last week or so we've often discussed what is the public interest versus catering to one group or another. I find it quite interesting that this House hasn't yet decided on an adequate definition of public interest. For myself, we're looking at short-term and long-term impacts, the social and environmental impacts on people, our ecosystem, our environment, and how this is going to affect not only us but future generations as well. A bill like Bill 8 should have been introduced 10, 12 years ago. Now these projects have been rammed through, and Bill 8 doesn't retroactively look back at some of the projects that were approved and I think misses the mark.

It's quite disheartening, I think, to many Albertans when they look at Bill 50, the fact that you've got a government that grants themselves sweeping powers to make decisions behind closed doors based on the energy needs of a handful of individuals, who aren't experts in the field, who haven't done proper consultation, who are making decisions which affect all Albertans and spending, as colleagues of mine have pointed out, billions of dollars on infrastructure projects which are just going to be downloaded costwise to consumers and to Albertans. Again, is there a need for it? You know, one really has to wonder and question the logic behind some of these decisions.

For myself it's quite evident that in many ways and many respects this government is quite out of touch with Alberta, with Albertans, and with what Albertans are wanting and needing. You know, this bill seems a little bit out of date, as far as 10 years too late. I think this amendment – I'll get back to it – highlights some crucial factors that need to be in place in the future when we're looking at energy transmission: looking at the public need, both present and future, and trying to have a bit of a long-term vision for this province. It's quite apparent that this government seems to lack that. But that's okay. We have a strong opposition that will help provide some vision for this government as far as the province goes and what we need in the future.

I mean, I've heard our hon. members on this side speaking about looking at alternative forms of energy and recognizing the fact that much of our electricity is generated through coal and many of our coal plants are now coming to term on their life and needing to recognize that we do need to invest in alternative forms of energy, which strikes me as interesting in that, you know, we're focused on building these critical infrastructure transmission lines. Critical can be debated. But are we looking at energy generation and introducing or expanding upon energy that is more environmentally friendly, that is cheaper, whether we're looking at solar and wind but also being able to power and provide energy for the needs in southern Alberta as opposed to building these lines that go through many different farmers', ranchers' lands? Many of them are unwanted.

The frustration with this is: where was the public consultation, where was the public need, where was the public input? That needs to be part of the formula when we're looking at approving projects like this, especially projects of such magnitude. For myself, for Alberta New Democrats, I mean, this market should never have been deregulated to begin with. Had we a regulated market with proper processes in place, we wouldn't be spending billions of dollars on unnecessary lines to transport energy from the north to the south. My concern is: where is that going next?

Ms Blakeman: Public ownership of utilities.

Mr. Bilous: Well, that as well. I mean, the utilities really should be public. They're being generated from energy from sources that belong to all Albertans. One of the frustrations of mine is that we're going to be subsidizing the cost of these lines, if not paying them outright, yet are Albertans going to be sharing in the dividends and the profits of this? No. We'll foot the bill, and private industry can take the profits. I have an issue with that.

I think, you know, that if Alberta had a strategy of looking at – how can we become not only an energy powerhouse but also how do we ensure that we'll be able to support ourselves for the long term but do it in a way that we can keep costs low for our consumers and ensure that we're looking at all different sides of projects?

I need to come back to the part of this amendment talking about, you know, building generators and generating stations closer to the load and putting into place programs that will reduce that. Again, focusing on one part of Alberta to be the sole generator of the bulk of our electricity needs and then having to ship it all over the province doesn't seem like the most economical or environmental way of doing things. There is lots of potential for unharnessed energy, especially in southern Alberta, that could definitely be tapped a lot more if this government was interested in looking at that.

10:10

You know, I don't think a proper needs assessment was thoroughly conducted. I think that had this government gone out and consulted or consulted to this day with many landowners, they would hear how happy they were about Bill 50 and what the government rammed through years ago. Again, this amendment is a step in the right direction but about 12 years late.

The only other thing I'd like to highlight at this point in time is the fact that it seems a little absurd to some of my constituents that this great Assembly is passing laws that are going to affect Albertans for generations and generations to come, yet it's happening in the wee hours of the night and the early hours of the morning, when members aren't fully rested and able to participate to the extent that there's an expectation that we do. I've had numerous phone calls already asking why we're debating things at 10 o'clock at night, 12 o'clock at night, 3 in the morning, 8 in the morning. It's a great question. I know that this amendment has been debated for several hours now along with Bill 8. It is cause for concern.

I hope that the government will seriously consider this amendment put forward by my colleagues and look at identifying needs and look at what's in the best interest of the public, of Albertans, not just of one stakeholder or another, whether it be industry or one group or another, and seriously consider where we're going and who's footing these costs.

You know, I can tell you that I already have constituents concerned about the rising electricity costs that they've been hit with, especially some of our most vulnerable citizens in this province, our seniors who are living on fixed incomes. Bills are going up and up and up. When I look to the future and when I think about when these transmission lines are going to be put up – I mean, already there's forecast from industry on how much homeowners are going to have to pay in an increase in their bills. Albertans are not okay with that and are quite frustrated and recognize that their costs used to be much more affordable, again, back when our market was regulated.

This government has taken us a step in the wrong direction and a second step with the approval of these lines. Like I said, now, unfortunately, Bill 8 is coming to close those barn doors, but that train has long set sail from the station.

With that, I will close. Again, I'm in support of this amendment and hope that the government seriously considers this. Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

I recognize the hon. Member for Edmonton-Centre to speak on amendment A1 to Bill 8, the Electric Utilities Amendment Act, 2012.

Ms Blakeman: Thanks very much, Madam Chair of Committees, for the reminder of where we all are because we do tend to wander a bit when we've been at it as long as this good Chamber has been.

I think that to my mind and to a lot of my constituents we've sort of lost track of what this was all about. I have been here long enough to have seen most of this process now roll through this House. Now, I mean, with Bill 8, we're in the stage of: "Whoops. Let's go back and try and fix that because it turned out to be a bigger problem than we thought it was going to be, and we're getting beat up about it," not to put too fine a word on that.

So where did all of this start? Well, it starts with provision of electricity, provision of utilities, which is critical. I mean, we live in a place where you need to have provision of electricity. For a lot of people it runs the fans that blow the heat around your home, around your office, that is generated by whatever kind of boiler you've got there, a hot water system, whatever. Well, it's not blowing the hot water system. But you have to have it. Now, my colleague would argue and did that the government should own all public utilities. I actually differ with my caucus because I think that's the way things should be, too. I lost that argument a long time ago, but it doesn't change my mind. I believe that utilities should be public, and they should be publicly run. They're not. At the very least what you usually end up with is government regulating utilities because they are so critical to people and people must have them. So the government acts as consumer protection to make sure that it's delivered at a rate that people can afford to pay for it. [some applause] We are welcoming the Leader of the Official Opposition.

In 1995 the government started a process to deregulate electricity, and they allowed it, essentially, to be broken up into three pieces: generation, transmission, and distribution. Previous to that pretty much every company that we had in Alberta – they've all changed names, and I admit I've kind of lost track of them. We had Calgary Power, who became Enbridge – no; yeah – and we had ATCO, which I think has always been pretty consistent. Yeah. We had Edmonton Power at one point, that then became EPCOR. They spun off part of the electricity, and they are now Capital Power. It's a bit hard to trace the names, but there you go.

What we ended up with was splitting the way we get electricity into three parts. Essentially, groups that didn't want to do all three got out of the two they didn't want to do and specialized in one. That's why, when you look at your bill, you're now paying administration fees on three different things that you didn't used to. You had one service. It provided it to you from the generation through to the transmission from Wabamun to the city of Edmonton and then, once inside the city of Edmonton, the actual distribution to your home. That was all done by one company. You were billed by one company, and that was it.

Now we have three companies in the game, and they're each going to charge you an administration fee for having done what they did. That, again, is why you look at your bill and go: "Holy mackerel. Why am I paying more in administration fees than I am paying for the g.d. product?" That's why. We can all thank this wonderful government of ours for adding those extra costs to our bill.

Now, when we first started, we had relatively cheap, reliable electricity generation and transmission and distribution in this province, so it boggles the mind when we now turn around and look. We've had brownouts and blackouts. We've had the cost of the electricity go through the roof because three generators went down at the same time, two of them for regular maintenance and then a third one had a problem, so three of them were offline. Now we're buying electricity from B.C. at absolutely top dollar. For anybody that's following along with this, there actually is a place you can go online and follow along with exactly what people are paying for the price of electricity per hour at any given time. It's fascinating to watch because if we're not generating the stuff locally, then we're having to buy it from somewhere else.

There was collusion at one point, which, of course, is one of the things we talked about when the then minister from Lloydminster was the Minister of Energy. We raised all this. We said that it's going to be more expensive, it's going to be less reliable, and collusion is possible. "Oh, no, no, no, no," they said. Well, guess what? It did happen. We did end up with collusion at one point, which I think went to court and eventually got settled. They did play around with things so that we ended up having to buy electricity at, you know, $300 per kilowatt when we should have been able to buy it at 5 cents. You can imagine the difference between $300 and 5 cents. That's a lot. And the ratepayers, the people that actually get that electricity into their small business, into their farm, into their manufacturing centre, into their office building, or into their home: they paid that.

10:20

We went from having reliable, cheap electricity to now not as reliable. I don't want anyone to think I'm saying that the whole system is blown and we're all sitting here in the dark. Clearly, we're not. But is it as reliable as it was? No. The big bogeyman in the room at the time was: "Oh, if we don't move to this system, we are going to be under capacity. People will not build generators because it's not worth their while; they can't make enough money." Yeah. Right. Uh-huh. Well, we don't seem to have had a problem with that, and they're certainly making money on it, but it is not as reliable as it was. Now, when the government changed the way this whole process worked, there were certain companies that really benefited.

Thank you for coming in and listening to us at 10 o'clock in the morning. We appreciate it. Just a little fan club, sports fans. Thanks so much.

When the government did that, they changed it, and we ended up with certain companies that really did well. This is the kind of thing where transparency in party contributions becomes really important. On this side I would tend to say, "Did any of those companies donate and really benefit from this deal?" and I would say, "Yeah." Of course, the government side would say: "They did not. They absolutely did not influence us with their ginormous donations." Well, guess what? Without transparency in the system I can continue to say yes, but I can't prove it, and they can continue to say no, but they also can't prove it. That's what's wrong with election financing. Unfortunately, the bill that we now have before us does nothing to change any of that.

I'm sorry. That was a tangent, Madam Chair. I'll admit that. But I thought it was worth while.

We're looking at the amendment from Rimbey-Rocky Mountain House-Sundre. Maybe he talks so much because he's got the longest name. Do you think? Maybe? Wait a minute; let me put this in context. Bill 8, the Electric Utilities Amendment Act, 2012, was amending two sections in the original bill. They were long sections, I'll give you that, but two sections in the Electric Utilities Act, which is the one that we redid at the end of the '90s. Section 41.1 was one of the sections that caused the government grief, caused a number of people in the community consternation because the government took a process out of place in which a number of other things were considered in approving large projects to go ahead. What they did in section 41.1(1) was give themselves – cabinet, also known as the Lieutenant Governor in Council – the ability to do this, the power to do it. You know, they would be given a particular plan, and then they would be the final arbiter, the final decision-maker. There really wasn't an obligation to consult the public. There wasn't an obligation to particularly consider public interest. This was Bill 50.

In Bill 8 we now have the big mea culpa from the government, going: "Bad idea. Shouldn't have done that. Let me take that one back. Let's change it. Sorry. Whoops. Uh-oh. Let's take that out and change it to something else." It really got them in a lot of trouble, and rural Albertans were so not impressed that we now have an Official Opposition caucus of 17 people from a different party.

The Deputy Chair: Excuse me, hon. member. Hon. colleagues, the noise level is getting quite high in here. If we could keep it quiet just a little bit so we can hear the speaker, that would be very much appreciated. Thank you.

Ms Blakeman: I'm not the least bit offended if people are energized by my speaking in the House. Thank you for that, but I can speak a lot louder than I am now. Not to worry. Okay.

That, as I said, really did not go well for the government. We had the mea culpa bill, Bill 8, saying, "Oops, uh-oh," backing off, changing this, reverse, and whatever word you want to use. Then we have this amendment coming from Rimbey-Rocky Mountain House-Sundre in which he is suggesting that we not even do what the government's mea culpa is about. He's saying: strike that out, and let's go and have the whole thing reviewed by a commission that would be required to meet and examine "present and future

public convenience and need." I'm going to agree with the need. "Convenience" is a bit of a strange word to put in a document like this. I'm assuming it was done late at night, and maybe we could forgive someone for that.

Then he goes into a long list of things that should be considered, that benefits will accrue to Albertans. Now, remember before when I was talking about how I believe that utilities should be public because the feedstock for it comes from land that we own? They are resources that all of us own, so why don't all of us get the benefit of that resource being transformed into electricity? Just one more plug for public utilities. This would work with that because it's a benefit that would accrue to Albertans as a result of any new critical infrastructure.

It also talks about whether the need of Albertans can be met by the application of nonwire solutions or less expensive but equally satisfactory upgrading of existing lines or building electrical generators closer to the load and programs to reduce the load. That's a mouthful, and he's got huge ideas in that paragraph because he's bringing up a lot of the arguments that we've heard over the last 15 years about why would we try – electricity doesn't transmit very far. It just sort of dissipates. It's very hard to send over long distances, and you do need to have your generators fairly close to the end receivers of it. Nonetheless, we had a number of plans before us in Alberta where we were going to build power plants near Edmonton to transmit the electricity to Calgary, to which clear-thinking people said: why wouldn't we build the plant in Calgary if that's where we need it? That led to a whole bunch of other arguments.

They're also asking that cost be considered. That was another one of the huge arguments that went on. Who's paying the price for this? Is it the ratepayers, or is it every single Albertan? Is it every man, woman, and child in this place that is going to pay for infrastructure that certain groups or certain people really get the huge benefit from? Did I talk about those companies that seemed to have done so well under this particular scheme and are also big backers and donors to the party in government and whether there was a close connection? Oh, yes, I think I did. At the same time I said that it's really too bad that we don't have stronger election financing laws because then we'd have a clear idea of whether, in fact, there was anything wrong or right. I'm happy to have the government be proved right occasionally, especially when it's around that kind of thing.

The Member for Rimbey-Rocky Mountain House-Sundre is also suggesting "reasonable and economic operational alternatives to minimize system constraints" – and this could only have come from him – "giving consideration to technical efficiencies, reliability and capital costs."

He then goes on to amend the second section that is amended in Bill 8, which is to "refer the application back to the Independent System Operator." This commission could then send it back to the Independent System Operator to be approved, to be declined, or to be changed.

It's a really comprehensive amendment, and I'm not surprised that we've spent several hours on it. It's worth considering because he really has managed to capture the arguments of about the last 10 years pretty succinctly on one page. We do get dome disease in this place. We are all in here under artificial light. Some people have been here . . .

An Hon. Member: What?

10:30

Ms Blakeman: It's artificial light. You plug it in. It's electricity. It's what we're talking about.

. . . for many hours. You do get kind of a funny dome brain after a while. You forget that, really, we're in here to make decisions for the people that live out there. You know, when I sit in those committee rooms, you'll notice how I always sit so I can look out the window. It's so that I can look out the window and see my constituents going by and remember what the heck I'm doing in that committee, so that I don't forget and start to float around with all kinds of weird ideas. We need a little reminder now that everybody has been sitting in here for 15 hours that the point of this is to serve our constituents, to serve the people of Alberta. What is the best way to do that?

I think the Member for Rimbey-Rocky Mountain House-Sundre is very thoughtful, and I'm sure he's spent a lot of time on this. He's actually been thinking about this for probably 10 years. He has managed to encapsulate most of the problems that were identified. Would this bring us back to the point where we had safe, reliable, and cheap production, transmission, and distribution of electricity? Probably not. I think those days are done, frankly. I think that last bird got killed. It's over. That dog don't hunt no more. We're not going back there.

So what are we going to do with what we've got in front of us? I know the government is not giving this serious consideration because they're all looking really cranky over there, but you should.

Mr. Rodney: What?

Ms Blakeman: There it is, a big smile – thank you so much – from Calgary-Lougheed.

You should because this issue has been a particularly bad one for this government. You haven't come through it very well. The mud is still sticking to you on this one. You all have beautiful suits, and the mud just doesn't go with the suit, right? You have got to figure out more positive ways to work your way out of this one.

What you gave us with Bill 8 is not strong enough. It is not addressing the very high cost that people are paying. It's not addressing the reliability. We had absolutely reliable delivery of power, and ever since the government did this, we get brownouts, we get blackouts, we get points where too many generators come offline, and we're paying $300 a kilowatt hour. I mean, come on. You should have been able to do a better job than that, and you didn't. Bill 8 is not going to dig you out of the hole that you're in. It's not going to take the mud off your lapels, and it's not going to make Albertans think any more kindly about you around electricity. I think you should have tried harder and gone further on that one.

I do agree with and I am willing to support this amendment from Rimbey-Rocky Mountain House-Sundre for having made an attempt to try and capture some of the most egregious omissions and commissions that were made with bills 50, 36, and 19.

Thank you for the opportunity to speak to that. I really appreciate it, and I look forward to hearing from the other side.

The Deputy Chair: Thank you, hon. member.

The Member for Olds-Didsbury-Three Hills on amendment A1.

Mr. Rowe: Thank you, Madam Chair. I rise today to speak in favour of this amendment. In my previous life, before this political life, I spent 35 years as an electrical contractor, as a journeyman electrician, then a master electrician, and then I operated my business for 35 years. So this whole issue of electricity and transmission and generation and so on has been very interesting to me. When we first deregulated the system, being a true conservative and believing in the whole business situation, I was

encouraged by it. I thought this was probably a good way to go. I've since learned that governments don't do business very well, so again free enterprise should be able to handle this whole situation. Over the years since we first deregulated this system, we've all watched our power rates increase significantly, and that started to concern me, but businesses have to make a profit. To get that service and keep those businesses operating, they need to make a profit. Granted.

Bill 50 really set off the alarm bells. When it first came in and I looked at all these proposals, I thought, oh, my God. What are we doing here? Number one, I'll go back to land rights and property rights again. They seem to have been thrown out the window so that we could get these critical transmission lines in place. I started paying attention to what was going on a little more, and about that same time as Bill 50 came in, we started to get information that the coal-fired generation plants in Wabamun, west of Edmonton, were close to the end of their life cycle.

In fact, my numbers may be a little bit off, but roughly 600 megawatts of power generation was shut down in the Wabamun area. At the same time as that happened, we saw Enmax build a gas-fired generation plant at Crossfield. Now Enmax is in the process of building an 800-megawatt plant east of Calgary in the Shepard area. You don't have to be much of a mathematician to realize that we've shut down 600 megawatts of power in the Wabamun area, and we've created just over a thousand megawatts of power in Calgary, which will be enough to effectively shut off half of Calgary on demand on that line. We need to see a needs assessment done on this line because the math just doesn't add up, folks. It just doesn't add up.

Then they recommended DC lines. I'll get to DC lines a little further down here. What was really troubling was that this $16 billion to $20 billion build-out was just handed to two companies: no competitive process, no bidding process, nothing. You can imagine that if a $16 billion to $20 billion contract was put out on the street, it would attract bidders from around the world. There is no question with a contract that size. Not only that, they were guaranteed 9 per cent profit. There was no – absolutely no – incentive for any cost control whatsoever. Even the advertisements that we all saw on our TV sets and in our newspapers and everything else – we paid for that – and those companies made 9 per cent profit on those commercials to brainwash us. That, my colleagues, is unheard of anywhere else. It's unheard of.

They did put in a cost control committee, if you will, to supposedly oversee this. As I understand it, the government approved just over a hundred million dollars for preparation to build these lines. The cost today is over $1 billion. There's no cost control. In fact, the mandate of the cost control committee is not to interfere with the installation of these power lines. So where is the cost control? You and every Albertan are going to pay the price for that.

If our power bills react in the way that we're told they're going to react – if you're a business owner in Alberta, if you're a manufacturer and you manufacture widgets or whatchamacallits or whatever it is and that process is highly electricity dependent, if you use a lot of power, you're going to have two choices to make in the future. Those two choices are going to be to pick up your marbles and go to Saskatchewan or B.C. or you're going to cogenerate.

10:40

In either case who's left to pay the bill when these industries leave Alberta? Who is? All Albertans are left on the hook. Mom and Pop are going to be left to pay the bill because these guys are going to be long gone. That's a fact. The Industrial Power Users group uses by far the most electricity in Alberta. They're going to be the ones that are most impacted by this. Yes, Mom and Pop Albertan will be and seniors, seniors' homes. That's all going to be impacted in a very, very negative way. We need to get a handle on this and do it right.

I would hope that in the future – just before I make that statement, I'll refer back to (2)(b). It reads:

> Whether the need of Albertans for critical transmission infrastructure can be met by the application of non-wire solutions or,

read into that cogeneration,

> in any less expensive but equally satisfactory way, such as upgrading an existing line, building electrical generators closer to [where] the load [is required] and programs to reduce the load.

I've talked to several people in my riding, especially farmers and ranchers because they're quite able to do it, who say that if this happens, they'll just go right off the line and start producing their own electricity with gas-fired generation plants. They will do it.

I would encourage anyone who has an interest in this to google Bloom Box, bloom just like the flower. It's a home generator, and it's very, very quiet. It makes about as much noise as your average air conditioning condenser. It's expensive, $15,000 roughly, but if I was a young person building a home that I expected to live in for 10 or 15 years, I wouldn't think twice about it. I would just go off the line. That's going to happen more and more and more, the more onerous the bills we inflict on people. So that's very, very important.

I'll just read some comments here. You may hear a lot of terminology mentioned during the debate in reference to AC power versus DC power and far too many acronyms to mention. What you need to remember is what is printed on your electric bill: watts. A generator produces watts of power. The transmission company transmits watts of power. Distribution companies sell watts of power to consumers, and we all purchase watts. Whether it's megawatts, kilowatts, or milliwatts, a watt is a watt is a watt. If you have no idea what is being talked about in the debate, just say watt and you'll be back on track.

An Hon. Member: What?

Mr. Rowe: Watt.

Generator companies generate electricity as alternating current. The power is delivered to consumers in the form of alternating current, or AC. All of Alberta's transmission lines and distribution lines are designed to carry AC power. Transmission lines are high-voltage electrical lines and distribution lines are low-voltage electrical lines. Why then is Alberta proposing to build two high-voltage direct current lines for transmitting electrical power from Edmonton to Calgary if everything is designed for AC power?

High-voltage direct current can be highly efficient alternatives for transmitting bulk power and for special-purpose applications, particularly over great distances. Whether or not high-voltage DC technology is a correct technology to use is a function of many variables. That said, it is well established and accepted in the industry that HVDC technology only has an economic break-even point at roughly 600 kilometres or more. Stated another way, to even consider using HVDC technology, the proposed project length should be a transmission line greater than 600 kilometres or more in distance or length; otherwise, it just doesn't make economic sense. The two HVDC transmission lines being proposed in Alberta are 330 kilometres and 500 kilometres respectively. Both are well under the break-even threshold of 600 kilometres.

I would hope that in the future our grandchildren are not driving down a highway one day and looking at our transmission lines, that we still owe money for, and viewing those in the same way that we view telegraph lines down old railway beds today. That's not such a stretch. Who would have thought 15 years ago that we would be using these things in the manner that we're using them today. Imagine your life without this wireless communication. That's what we could be looking at in the future, folks, not $20 billion power lines that Mom and Pop are going to be left to pay for.

This is a very, very serious issue. All Albertans need to pay extreme attention to this because it's critical for the future of Alberta.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Now I'll recognize the hon. Leader of Her Majesty's Loyal Opposition.

Ms Smith: Thank you, Madam Chair. Well, I wasn't expecting to be in the Legislature this early in the morning. I think we're now in our 15th hour of debate on one of what will ultimately be three bills that the Official Opposition and members of other opposition parties believe need to have significant amendments to in order to make them right.

The amendment that is before us on Bill 8, the Electric Utilities Amendment Act, 2012, is, I think, the only way that we are going to truly correct the problems that were created when Bill 50 was passed, inappropriately in our view, inappropriately in the view of many watchers of the electricity business, inappropriately in the view of landowners. Bill 8 as it was put forward demonstrates, I think, that they're at least recognizing they made a mistake when they passed it in the first place. But to truly undo the damage that was created when Bill 50 passed, we need to also pass the amendment put forward by the hon. Member for Rimbey-Rocky Mountain House-Sundre.

Before I get to the meat of this amendment, I do just want to talk a bit about process. As a new MLA, a new Member of the Legislative Assembly – and I speak, I think, on behalf of many of my colleagues who are new in the Legislature – we actually took the words of the Premier at face value when she was running for the leadership of the Progressive Conservative Party a number of years ago. I find it remarkable that we are in a position now where we have a government that is prepared to go through and make the exact same mistakes as they've made in the past. I think that this is contrary to what the Premier promised Albertans. I think this is contrary to what we in the opposition expect. I think it's contrary to what new members, not only on this side but also on that side, expected that their Premier would do once she won another majority government.

I want to read a column from the Premier that was written in August of 2011, and I think it goes directly to the issue of what we're facing today. We've got an amendment before us to correct a piece of legislation that was passed in haste, that was a mistake, and now here we are years later having to come back to correct it. What the hon. Premier noted in her leadership campaign was:

> We need to change how we make decisions. We must make time and processes available for consulting with Albertans before we pass laws. That doesn't mean every Albertan will agree with every decision, but there will be time to learn about the issue and [there will be time to] weigh in.
>
> We need to change how the Legislature and MLAs operate. More free votes so MLAs can reflect constituents' views . . .

and, importantly,

> . . . more time between proposing and voting on legislation.

This was a commitment.

The Deputy Chair: Could you please table that document that you just quoted from at the appropriate time?

Ms Smith: I will be happy to table the document at the appropriate time.

The Deputy Chair: Thank you.

10:50

Ms Smith: Now, I think that if you look at the manner in which the opposition and the new MLAs have been conducting business in this Legislature, you'll see that we genuinely thought that we would be doing business in a different way. There have been, I think, 700 pages, if you count Bill 7, of legislation that have been dropped on this Legislature to go through, review, for us to identify amendments, to debate as a caucus. We are now in our fourth week of debating these issues. In that time, when I look at the way in which we have been able to work constructively with the government, we look at, for instance, Bill 1, where one of our own members, the Member for Calgary-Shaw, was able to propose a number of amendments. One of the amendments was duly debated. It was discussed, it was agreed to, and it was ultimately passed. I think it made the bill better.

It's I think a credit to this Legislature when you look at how that bill passed through its different processes, where the government gave due consideration to the amendments that we put forward. Again, as the Premier said: we may not agree on everything, but we can agree on some things. In that case we did agree on some things. We improved the bill, we made it better, and when it passed, my recollection is that it passed with unanimous consent of this Chamber. Every single party felt that they could support that bill. That to me is the way this Legislature is supposed to work. Again, we may not agree on everything.

I can go to looking at Bill 3, another example where the opposition put forward multiple amendments. One of them was put forward by the hon. Member for Calgary-Fish Creek, working with the whip on the other side to put forward an amendment that would strengthen the provisions for our schools to be able to deal with issues of weapons on school grounds, to deal with drugs on school grounds. This to us and I think to all of the members in this Chamber was an important amendment. It was debated, it was discussed, it was agreed to, it was given due consideration, it was passed, and I think it made the legislation better.

Now, not all of our amendments were agreed to. We know that the Education minister spoke at length about why he opposed many of the other amendments that were put forward by the hon. Member for Chestermere-Rocky View. But the point is that the process in that case worked. We put forward our amendments. We debated them in the light of day without having to go through a full evening session where no one got any sleep. We had respect on both sides of the Chamber. I understand that the debate got heated from time to time, but we were able to debate it, we were able to look at the amendment appropriately, we were able to come to an agreement, we were able to improve the bill, and, ultimately, it passed.

I wasn't here when it was passed because, again, I think it was passed in the wee hours of one of the evenings. I would have liked to have been here, to have been able to have a final moment to be able to discuss that and to lend my support to it and to vote on it. Again, this is an example of how you can work together collaboratively, come to a conclusion, and pass the legislation in a way that I think respects all of the members in this Chamber.

Now, last evening, I don't know how things got off the rails. I thought that our House leader and the House leader of the party opposite were working pretty well together getting legislation through this Chamber. I thought that there was an agreement, some mutual respect, some understanding that the members on this side of the Legislature take the issue of being serious parliamentarians seriously. We read the legislation.

The Deputy Chair: Hon. member, I'll just remind you that we need you to be speaking to the amendment.

Ms Smith: Absolutely. As I said, this is all related to the fact that we have different processes that worked for dealing with amendments that improved the bills. This is what we are attempting to do with this amendment that we've put forward on Bill 8. We are attempting to go through a similar process that successfully managed to improve Bill 1 and get our support, that managed to improve Bill 3 and get our support. We think that if the government takes that same approach in dealing with this amendment as the way that they dealt with our previous amendments, with respect, with due consideration, we may be able to improve this bill in a way that will not only satisfy the needs of our constituents but also will satisfy the needs of the constituents of the members opposite.

I think you can't talk about this amendment until you talk about why this process has become so dysfunctional in the course of 15 hours. I don't know what occurred over the course of the last 15 hours that has caused us to go from a process that was working reasonably well to going towards a process that is not working for any of us and which, I think, violates the spirit of what the Premier had suggested when she talked about slowing legislation down, when she talked about having a process where we could take time between readings, where she talked about free votes and giving due consideration. I, frankly, haven't seen that. I'm once again wanting to support my colleagues on this side in the fact that we have been constructive in developing a process that we think leads to better legislation.

Last night there were an additional four bills that passed. The home warranty legislation passed which, once again, is one that did not receive a lot of push-back from other members of the opposition. We had issues with Bill 6, the fact that they were increasing the fines extremely without putting those dollars into a special fund to be able to deal with the victims of those violations. We think that could have made the bill better. There wasn't an opportunity for us to be able to amend it, but we certainly spoke to it and made that point. Another piece of legislation that passed, Bill 9, was the bill where we were dealing essentially with some housekeeping issues in dealing with changes to the corporate tax structure. Bill 10, the Employment Pension Plans Act, again allowed for our oversight bodies to have a greater purview to look at a range of pension plans.

Once again, I believe that the opposition members have put forward amendments, they had them debated, there was due consideration. We didn't get our way on all of those amendments, but at least we felt that there was due consideration being given to these bills. Unfortunately, again, something happened in the last 12 hours, and I'm not quite sure what it was. We're not seeing, I don't think, a level of respect and decorum for the process, that was promised by the Premier when she ran for the leader of the Progressive Conservative Party.

I'm glad that the Deputy Premier is here. I'd kind of like him to give me a display of the kind of behaviour that we saw last night. Maybe I'll model it. My understanding is that as our members were speaking, he was doing something like this and actually handing pieces of paper back to others so that they can go like this. [Ms Smith scrunched a piece of paper] I think there were a couple of hon. members from the other side that were doing things like this as we were speaking. [Ms Smith tore a piece of paper]

The Deputy Chair: Hon. member, please address amendment A1.

Ms Smith: I'm just trying to understand what we're going to be experiencing today as we debate these amendments. I'm trying to understand whether the hon. members opposite take this process seriously. We have discussions in this Chamber about bullying. I have been to events in the last couple of weeks talking about bullying. The behaviour that I am seeing on that side towards these hon. members is outrageous, the fact that they're sitting here now pretending that they didn't behave this way last night.

I can tell you that what this does is that it diminishes the process. When we come here and we are putting forward hours and hours of our time to go through and read these bills, we are putting forward hours and hours of our time to go through and talk to stakeholders, hours and hours of our time to go through and draft amendments to come here to debate them, that is the behaviour that we see on the other side. Now that we're in the light of day, maybe the Deputy Premier isn't going to behave that way. But I think the media, I think the public need to understand that we have a government that does not take this process seriously. That, I think, is the biggest shame. I do not think that is raising the bar.

What would we do if we were elected? We talked about doing something quite a bit different on the process, and I think what we had proposed was very much in line with what the hon. Premier proposed as well: taking the time between amendments, taking the time to go back and consult, taking the time to make sure that we get the legislation right. We would not be here today addressing this issue and addressing this amendment that has been put forward by the hon. Member for Rimbey-Rocky Mountain House-Sundre if the government had actually had a different process, where we would be able to go through and properly assess legislation, talk to stakeholders, and be able to get an appropriate result.

On the issue of this particular amendment one of the reasons why it is coming forward now is because the government once again took a half measure in how they were trying to assess and deal with the problems that they brought forward because they passed inappropriate legislation in the first place.

11:00

I'm going to read into the record a column that was written and appeared in the *Calgary Herald* which quotes the Energy minister. It talks about the reason why we need to go back, pass the amendment that has been put forward by the hon. Member for Rimbey-Rocky Mountain House-Sundre, and actually fix this bill once and for all.

> [The Energy minister] introduced legislation to repeal controversial Bill 50, but he says the law that empowered cabinet to approve $8-billion worth of critical transmission projects without a public hearing was necessary at the time.
>
> He said Tuesday it was not a mistake to pass the Electric Statutes Amendment Act to seize that power from the Alberta Utilities Commission in 2009.
>
> "Different times; different needs," he told reporters at the legislature.
>
> "Now it's important that we send this responsibility back to the Utilities Commission. The decision to pass that bill to move forward with that critical infrastructure was needed at the time it was done by the government."

> The law, which sparked outrage across the province, enabled cabinet to give the green light to five transmission projects, including two high-voltage lines connecting Edmonton and Calgary – worth more than $3 billion – as well as a $400-million line into the industrial heartland northeast of Edmonton.

Now, I'll go on referencing this once again because it goes directly to the point.

The Deputy Chair: Hon. member, you will table that document as well at an appropriate time?

Ms Smith: I'm happy to table this document.

The Deputy Chair: Thank you.

Ms Smith: It goes directly to the point that this amendment is trying to address. We have acknowledged in our second reading of this bill that part of what occurred when the bill was being drafted, debated, and what's happened today is that the world has changed. Bill 50 was created in a world where we thought that we would have cheap and plentiful coal-fired production into the foreseeable future, where we would see natural gas prices remain sky-high in the double digits, where in this province we were even looking at other potential options.

I recall going up to the Peace Country and talking to a number of people who were concerned about the creation of a new nuclear power plant, with 4,000 megawatts of power. We know that there have been discussions, potentially, about bringing hydro power online.

What has happened between the time that this bill was introduced and crafted, the time that the hon. Energy minister talks about, is that the world has changed. Now, they recognize one portion, that the world has changed to the point where we have to go back and allow for the Alberta Utilities Commission to do a full independent needs assessment. We completely agree with that. We, in fact, felt that we should not ever have taken that power away from the Alberta Utilities Commission because if we had maintained that power with the Alberta Utilities Commission and we had given an appropriate oversight of these various projects that were approved by cabinet fiat, by legislation that allowed the cabinet to make these decisions, we wouldn't be in the position we are in today.

We, actually, would likely have a number of statements on the record by a number of different groups that would either affirm the government's position that, indeed, this critical infrastructure is necessary, or it would reject the government's position and support the position that we have heard from multiple landowner advocates, multiple property rights advocates, multiple consumer association groups. We simply think the government made two mistakes, not only in removing that regulatory process, but the second mistake was thinking that they were power engineers and could figure out what the power needs of this province would be on a go-forward basis.

Now, let's remember what we're hearing now. We're now hearing that at the time the reason why they said that we needed this transmission production was because of the fact that Calgary would be in the dark, that the lights would go out, that we would have blackouts. Well, now what we're hearing is that the argument has changed. Now the argument that we hear is that the reason we're building it is because we're actually building out 30 years into the future. So what has happened is that, yes, the world has changed – and the government has recognized that – but rather than correct the true error that they made and take these projects and put them back to the Utilities Commission for a proper review, they're trying to change their argument to justify why they're going to burden consumers and industry with the cost of building a bunch of additional transmission lines that we simply don't need.

We believe that by putting forward this amendment to repeal section 41.1 and replace it with the following, we will be able to accomplish this task. So 41.1(1) in the amendment that we're proposing would state that "a transmission facility designated as critical transmission infrastructure under section 41.1 of this Act as it read immediately prior to the coming into force of the Electric Utilities Amendment Act, 2012, shall be reviewed by the . . ." [Ms Smith's speaking time expired]

The Deputy Chair: Thank you, hon. member.

The hon. Member for Airdrie.

Mr. Anderson: Thank you. Good to be back in here. I'd like to thank the opposition leader for a wonderful speech. That was music to the ears. [interjection] The Deputy Premier is showing all the class that he has, so much class. The Deputy Premier, beloved by all.

This bill, Bill 8, and the amendment, of course, that we're talking about here are an attempt to fix this disaster. This bill is a very frustrating piece of legislation because it's saying: "We admit that we did something wrong. We admit that, in fact, we made a mistake by granting powers to our cabinet, that they were all of a sudden pronounced mechanical engineers, power engineers, that they all of a sudden had all this expertise to decide what was needed in this province with regard to power by circumventing the independent needs assessment process, which had been put in place for years." This is a frustrating bill. It's a very frustrating bill.

How can a government on one hand go out there and say: "You know what? We made a mistake in giving cabinet those powers, but even though we used those powers to approve $16 billion in transmission lines, we're going to go ahead with those mistakes. We're going to go ahead with those $16 billion in transmission lines, but we're going to take away the power we gave ourselves in order to do that"? I mean, honestly, if it wasn't so serious, if it wasn't so expensive for our seniors, if it wasn't so expensive for our corporations and businesspeople and the people that have businesses and own small businesses, it would be funny. But, unfortunately, it's not funny because of how expensive this is. It's just shocking.

I remember, when I was a member over on the other side, that this issue did come before caucus, and it was actually a pretty divided caucus at the time. You'll remember that, hon. Member for Calgary-Fish Creek. It was actually very divided at the time between those who felt that Bill 50 was a good bill that needed to go forward and those that did not. In fact, it barely – barely – passed caucus. I remember very clearly then Minister Morton voting very strongly and speaking very strongly against the bill to build these power lines. I also spoke against it and voted against it, as did many others in that caucus at that time. Unfortunately, it went through regardless.

Then later on we saw that same minister become the Energy minister, and then all of a sudden he was in favour of it, after being in a position to do something about it. But, you know, we can't be hard on that individual because it happened with so many folks over there who said one thing and then, instead of standing on their principles, did not. [interjections]

The Deputy Chair: Through the chair.

11:10

Mr. Anderson: Well, we're talking about principles. That doesn't include the Deputy Premier, guys. I mean, jeepers, calm down. We're talking about principles here.

It's very imperative, I think, that this government account. There has to be a reason why you would say that you shouldn't have given yourself a power, but you use that power to do a bad thing, in our view, and then you take that power away and say: oh, sorry; we shouldn't have given ourselves that power, but we're still going to go ahead with the bad thing. This is wrong. It is just absolutely wrong. You cannot justify doing this. We are talking about $16 billion in unnecessary transmission lines.

Madam Chair, once we start building these, there's no going back. There's no going back. Once they're built, they will go on power bills. They will have to be paid for by my family, by your family, by the families of everyone in here, by the seniors living on fixed income, by families that have, you know, five kids and a single mom or a single parent at home struggling to make ends meet. It'll have to be paid for by that small business who is trying to eke out every last cent because it's so hard. The labour market is so hard, and they have to pay such high wages to their labourers, and then on top of it, they're going to have to pay these power bills. And we go on and on, and all of these different people are going to have to pay this. Then we're going to look back, and we're going to have this massive 16-lane highway that has four lanes of traffic on it. It's going to make no sense at all, and we're going to be paying for it. It doesn't make any sense, and it's wrong.

One has to wonder why. Why would the government do this? I mean, clearly there are intelligent people over there, right? So why would you do this? Think about this. Why would you base your assessment of what to build in 2012 on 2003 AESO statistics? The world has completely changed. Technology has completely changed. Growth rates have changed. Cogeneration technology has changed. Everything has changed since that time. We're in a totally different world with regard to the technology being talked about here, yet we're going off that. It makes no sense.

Right now the University of Calgary School of Public Policy, IPCCAA – I mean, we can go down the gamut of all the folks aside from AESO. They keep holding up AESO. Every single organization independent of government is saying that this is an overbuild, that it's not needed, it's expensive, it's going to cost too much, that we don't need it, et cetera, yet we're going ahead with it anyway. Honestly, I just for the life of me can't figure out why that is.

We know for a fact that Calgary has more than enough power supply because of the new Shepard plant that's coming onboard and a couple of others coming onboard. There's actually going to be double what is actually needed for the city of Calgary in coming years, especially when you tack onto that all of the incredible energy conservation efforts and cogeneration and everything that's going on, people putting their power back onto the grid.

There is going to be absolutely no need for these lines to keep the lights on in Calgary. Don't you think the MLAs from southern Alberta would be worried about power if that was a problem? Of course we would be. We would be the first people saying: you've got to keep our lights on down here, okay? We've got 15 MLAs south of Red Deer who are directly on the hook if the lights do shut off, so why are we sitting here saying that this is a complete waste? Because it is a complete waste. All of us are going to be the ones paying for it. There is more than enough power, and obviously there does need to be some upgrade of transmission on the grid, but we need an independent assessment process to help us understand what exactly that is so that we don't spend any more money than we possibly need to spend in order to get this done so that we can keep our power bills as low as they possibly can be.

Madam Chair, I think it's absolutely critical. I think there are folks over there – not all, but I think there are many over there – that do take this process seriously. I don't see how we can move forward in this Chamber and have any kind of reasonable debate when we are up till 11, 12, 1 o'clock in the morning as a matter of regular business, talking through business and then having 10 bills thrown at us in a two-week, three-week period to analyze them, then having leg. counsel draft up 50 amendments. Fifty amendments in that time. It's insane to be doing business this way. No other jurisdiction does business in this way. It's not normal. You don't come back for five weeks or six weeks – probably five weeks is what I think is being aimed at here, but six weeks at the most – to do 10 bills, sitting morning and night, morning and night, morning and night, and then last night coming right through nonstop. It's insane. You can't do it that way. How can we focus on amendments like this, Madam Chair, if we keep doing it this way? It's not parliamentarian to do it this way.

I mean, we're going to have our disagreements and so forth, but the people of Alberta expect that bills are going to be debated in the light of day like this, and amendments are going to be debated in the light of day, that there's going to be a regular question period, that there's going to be a time for accountability and members' statements and introductions of guests and tour groups and so forth and all that stuff. That's what they expect their business to be like. They don't expect what this is devolving into.

I really do hope that in the next little bit we can get back on track, that we can kind of find ourselves again. Look, I mean, obviously we're down a track here where we have these evening sittings. I know the House leaders are going to be talking about this in the sessional break, about morning and night sittings, but this is ridiculous. This is insane. I mean, we cannot continue to do it this way. If we have to do it one night or maybe two nights a week to a specific time, a reasonable time like 10:30 or 11, that's reasonable. Anyway, maybe we can do that. If we continue to do what we're doing here, we're making a mockery of this process. We should do better, especially with a Premier that promised to do better.

You know, I bought into it, too. That's what's so funny about it. You have these hopes, and you listen to the stuff. Even I said: "You know what? I disagree with that Premier on a lot of things, but, darn it, maybe she's serious about transparency and changing the way we do business in the Legislature." It's gotten worse. It's gotten worse with regard to how we do legislation. It's like legislative sausage-making at its worst. It's icky.

The Deputy Chair: Hon. member, please speak on amendment A1.

Mr. Anderson: That's why you get icky amendments from time to time. This is not an icky amendment, though. Let me tell you. It's a special, very good amendment.

Madam Chair, I just hope, again, that the government will reconsider, that they'll support this amendment, that they will get those power lines immediately stopped before any more damage is done, and that we will reconsider the gong show that we're in right now and start conducting our affairs in this place in a way that, you know, doesn't ruin the reputation of this House.

I mean, read a newspaper, guys. Read some of the letters that are being sent your way. You think Albertans are impressed with

the way things are devolving right now, with all of the scandals and the lack of transparency and these bills that we were all looking forward to and what's been lacking? Anyway, I think that there are a lot of folks that are disappointed. Maybe not in every constituency, granted, but I really feel that this is making a difference, and I think you're going to start seeing real indications that things are unfolding in a bad way for the governing party here if this continues.

So, Madam Chair, with that, I will take my place and ask that we please reconsider supporting this amendment, that the government support this amendment, and that we get our act together in this House.

Thank you.

The Deputy Chair: Thank you, hon. member.

The hon. Member for Edmonton-Calder.

Mr. Eggen: Thank you, Madam Chair. I appreciate an opportunity to speak on this amendment to the Electric Utilities Amendment Act. I appreciate the Member for Rimbey-Rocky Mountain House-Sundre for bringing this forward. I think that the Member for Rimbey-Rocky Mountain House-Sundre had an interesting insight into this Electric Utilities Amendment Act, talking about need both in the present and the future and building electricity generating capacity closer to where the electricity is being used.

11:20

Both the Member for Rimbey-Rocky Mountain House-Sundre and I dealt with this issue at considerable length a number of years ago when there was the proposal to build a high-tension line to the west of highway 2, running from Wabamun and then south through many areas, including this Rimbey-Rocky Mountain House area, down towards Calgary. While initially I was involved as the Energy critic here in the Legislature, responding to landowners' concerns around this high-tension wire, I started to become more aware of just what the provincial grid system was like here in the province of Alberta and what our needs and our electricity generating capacity actually were.

As I learned more, I realized that a lot of what the AESO was putting out very strenuously about the dire need to increase our capacity and the need for long-distance, high-tension wires across the province not only in the highway 2 corridor but across the eastern side of the province of Alberta towards Saskatchewan and so forth – a lot of it wasn't adding up, quite frankly, Madam Chair. Both the structure and the choice of transmission lines and the math around what our actual needs were in the province according to the AESO were actually not congruent with what we were finding in reality.

What I started to realize was that sometimes in regard to electricity, logic and reality are bent to meet the needs of certain generators and generating companies that have their own ambitions around producing electricity. As soon as we started to apply more pressure on the proposed western line through the Lavesta group and others and hearings started to pop up both in Red Deer and then later in Rimbey, we started to see that other generating companies – right? – started to look at it as a sign of weakness for that one proposal and started to propose their own generating proposals, then touting those as the correct way to move forward for our electricity industry here in the province of Alberta. There are lots of different ideas, lots of different versions of reality, not any of them necessarily meeting the needs of what was required for future public convenience and need.

That's why this amendment I think is so prescient. It reminds us of the confusion and the problems we have around a deregulated electricity market here in the province of Alberta. Electricity deregulation has not been good for consumers. It has not been good for sound, rational planning of our electricity grid here in the province over the last 20 years, and certainly it just adds a great deal of confusion for the future and for legislation such as is being brought forward here in Bill 8.

The root, I would suggest, of the impasse that we've come to here, Madam Chair, in regard to Bill 8 and in regard to electricity generating capacity and consumers being ripped off when they open up their bills every month is the fact that we don't need a deregulated electricity market here in the province of Alberta. We need some semblance of sane, rational, reasonable regulation like most other jurisdictions across the country and most developed nations around the world.

Electricity is not something that you can buy and sell like used cars and pizzas. It's an essential service that we live by as a modern, industrialized country. Right? We don't simply buy and sell them in the normal market circumstance, nor has any normal market circumstance evolved or come to pass as a result of these many years of a deregulated market. We were sold a bill of goods on electricity deregulation. We will not come to any reasonable resolution on legislation until we reregulate the market as it should be done and as it's been done in all other reasonable industrialized societies around the world.

It's not as though, as I say, a market has actually developed with any more diversity than we had before this inappropriate decision was made to deregulate the electricity market. It's not as though electricity is a product that you can simply buy and sell in the same way as you can other products, like I said.

Again, this amendment is very useful. This amendment I think speaks to the folly of our choice to be a deregulated market. Inside of it at least it tries to look at some bandages that we can put in place in the meantime. The idea of generating electricity where it's close to being used is an idea whose time has come. We had the high-tension line west of highway 2 going to Calgary and probably south to Montana to sell electricity to the United States as well, as it happens. When that was disapproved, we saw companies such as the local Calgary utility company saying: "Well, we will generate electricity. We will generate dozens of generators around the city of Calgary. We'll produce that electricity, and it'll be used close to where it's generated in the first place."

Every kilometre that you move electricity down a line, you lose a percentage of that electricity. It's gone. So the idea of shipping, let's say, coal-generated electricity from east of Edmonton to southern Alberta is not only absurd; it's highly inefficient. It does not speak to the physics and the science of electricity and how it decays over time when it passes through a line.

The other issue, of course, as I said, is that we have these different companies producing electricity and generating electricity each coming up with their own version of reality in terms of why we need these lines and where they should go. Again, if we are looking to the public interest and the present and future public need and convenience, as this amendment says, then perhaps we will inject a higher degree of honesty when different energy or electricity companies are touting their latest megaproject that inevitably probably needs public subsidy and an increase on our line charges on our electricity bills for us to pay for it.

Again, with the electricity line running west, which was eventually quashed, we saw all manner of absolutely abhorrent behaviour by not just the electricity company involved but by the AESO and other parties as well. At one point the public hearings

were put behind closed doors for some trumped-up charges of potential violence or disruption and so forth. As an elected MLA I went down to Rimbey to participate in these public hearings, and even I was barred from doing so – I don't know why – because somehow someone put a rule in front of that. That was absolutely absurd, it was absolutely inappropriate, and it spoke to the fact that there was something really very wrong with what was going on on the other side of that door. I often still joke with some of the guards around here in the Legislature who were there in an unfortunate position, to bar people from going into those public hearings. Of course, you know, we joke because it was a useful and helpful thing for our cause because it hit the front page of the paper, and it became more apparent to the public how absurd the whole situation going on there in Rimbey was.

Just one more small thing about the Member for Rimbey-Rocky Mountain House-Sundre and I dealing with electricity is that we worked with a group that had sprung up and grew to quite large proportions along that corridor. That group, we learned over time, was infiltrated – get this, infiltrated – by a spy hired by the AESO to spy on us. I was part of that group as well. The AESO hired a spy to spy on a group of which I was a member. Right?

11:30

The Deputy Chair: Hon. member, I remind you that you're speaking on amendment A1.

Thank you.

Mr. Eggen: That's why we need amendments like this – right? – to make sure that they don't stick spies amongst us. We caught that spy, the lawyer for the Lavesta group. We caught him in the bathroom, and after about two seconds' worth of interrogation, he confessed. He wasn't a very good spy. I guess they didn't get him from the top-shelf spy list that they might have somewhere. He confessed almost immediately.

An Hon. Member: You have to check your agent status.

Mr. Eggen: That's right. You only get what you pay for, apparently, when it comes to spies and private investigators.

Anyway, once again, I mean, a clear illustration of the absurdity of what was going on in regard to building this electricity line, which was not needed, between Edmonton and Calgary. Thank goodness for the citizens that live between Edmonton and Calgary that stood up to that. Thank goodness for the good work of the Member for Rimbey-Rocky Mountain House-Sundre and all of the people in the Rimbey area who stood up to this nonsense of overbuilding high-tension lines for moving electricity over long distances here in the province of Alberta, losing that power along the way and probably aiming to ship that power right out of Alberta and sell it to the United States market. The whole thing was a car crash.

You know, we're trying to help the government here. That's what I really want to do. It goes to my best nature to try to help people, so I reach out to the Energy minister. We've worked a lot together on all kinds of different files. Here we are going from health to electricity. Who knows, Mr. Energy Minister, what file we might be working on together next? You never know. We could be doing justice or transport. I'm just saying that we've gone from health to energy. I'm trying to give you a hand here with this amendment. It's very useful.

Certainly, this is a very well-thought-out amendment to Bill 8. You know, I think another missing element we have here is that there's an electricity report out there somewhere. Wouldn't it be useful to have that electricity report so that we could actually put that missing piece of the puzzle into this so that we actually knew what was going on? Where is the future heading in terms of electricity? We've seen so many right turns, left turns, backups, car crashes on the deregulated electricity market in this province. Maybe it's time for us to sit down and take a long, sober look. Maybe we can reregulate some elements of our electricity market here in the province.

The last element which this amendment speaks to very clearly and succinctly is the fact that Albertans are tired of getting ripped off every month when they open their electricity bill and see all kinds of extra line charges, administrative charges, and a price variation which is like riding a roller coaster. People can't budget for their electricity and utility prices from month to month when they fluctuate so wildly, right? Then somebody comes along, some young people banging on the door and being quite rude, trying to sell you one of these packages, which everyone's sixth sense says: there's got to be something fishy about this.

An Hon. Member: Offering steak knives.

Mr. Eggen: Sure. Yeah, exactly. Using the same techniques that people use to try to bully you, to sell you some kind of cleaning liquids or something. Instead, they're selling you electricity, right? Lots of people that I've had to deal with in Calder come to me and say: did I do the right thing signing this thing under duress? I say: no; look at the clause and find a way to get out of that contract because you're just getting ripped off left, right, and centre.

We're left with having to be exposed to extraordinary electricity bills because things like the items that are mentioned here in this amendment are not being addressed in an honest and reasonable way. I know that the deregulated market is a long and tangled road, and it will take us a while to get out of it. I'm willing to acknowledge that, that we can't just turn it back with a stroke of a pen. But maybe with three or four strokes of a pen we can. Maybe over a very short, reasonable amount of time this same room and same Chamber that made the mistake of deregulating our electricity market can start getting back on the road to recovery. I know that people in my constituency would love that.

I know that almost nobody with a straight face can tell me that they actually benefit from a deregulated electricity market. I don't know. Maybe if you produce your own electricity somewhere and so forth, but even that is cumbersome and difficult. Maybe this amendment will help us to open the door for people to produce their own electricity and have it sold through differential pricing back onto the grid – right? – another huge missing link here in the province of Alberta that has been blocked turn after turn by the heavy-handedness of the AESO and under direction from this PC government.

We do have a net energy bill, but it doesn't have the means and the mechanism by which we can price different kinds of electricity appropriately so that it is affordable and makes economic sense for individual consumers and small businesses to start generating their own electricity and selling the excess back onto the grid. People say: "Oh. Well, other countries do it. How come we don't?" It's because they put solar energy and wind energy and geothermal energy on a different price level according to the value of it so that it makes it worth while for people to actually generate it. I could generate electricity in my place. I intend to do so when there's enough of a differential price so that I can have those solar panels functioning for my family and I could also sell the difference back to the grid and pay off the system over a reasonable amount of time.

That's what this amendment really talks about, too. It says, "building electrical generators closer to the load," and "the present and future public convenience and need" of our consumers here in

the province, right? We have to think way ahead, and we have to think past the interests of the big utility companies who tend to write these laws for themselves. We have to start thinking about the consumers and the possibility that, in fact, we may be generating electricity in radically different ways than we are here today.

An Hon. Member: Have you got something against coal?

Mr. Eggen: Well, you know, I do in a way. I mean, coal has been generating electricity us for a long time, but clearly it's time for us to move away from the dependence on coal. We have the technology and means by which to do so if we choose properly.

Madam Chair, I'm really happy that the Member for Rimbey-Rocky Mountain House-Sundre – he should get an acronym for that, really, shouldn't he? – has put this forward, and I will be very proud to support this amendment when the vote comes, if the vote comes.

The Deputy Chair: Thank you, hon. member.

The hon. Leader of Her Majesty's Loyal Opposition.

Ms Smith: Thank you, Madam Chair. I thought it might be interesting to just start my comments once again on the amendment by reflecting on the practice of speaking at length. The practice of speaking at length to a piece of legislation has been an effective tool for delaying unpopular, contentious, or, in the cases we see with this bill, bad legislation. If you want to know where the first use of it came from, we see its first use in ancient Roman times. Cato the Younger, a Roman senator, would use the rules requiring senate business to be concluded by dusk by speaking continuously until nightfall. Quite interesting. One of the famous times that Cato used this technique was in 59 BC in response to a land reform bill.

The Deputy Chair: Excuse me. Hon. members, I know you're having some important conversations, but can we keep the level of noise lower, please? Thank you.

Ms Smith: Thank you, Madam Chair. Once again, they may not believe this on the other side, but we actually are trying to give them an opportunity to correct a piece of legislation, that has caused them great grief for the last three years, through this amendment that has been put forward by the hon. Member for Rimbey-Rocky Mountain House-Sundre.

Going back to an independent needs assessment is absolutely favoured by this caucus, is favoured by the landowners who have been advocating against this bill for some time, but it is not going to be enough for the consumer groups, especially the industrial consumer groups, who are still going to be harmed under the legislation as it is currently written unless we empower the Alberta Utilities Commission to go back and review these five pieces of infrastructure that have been passed by legislation without going through the proper process of scrutiny.

11:40

I'm still not quite sure why the government doesn't see that this is actually an opportunity for them to either get independent assessment and approval and validation of the decisions that they made, which will give them the ammunition that they need – and I'm sure they're confident that these transmission lines are needed. It will give them the ammunition that they need if on the table we have the Alberta Utilities Commission saying: "Yes, they're needed. Here are the reasons why. We've done the cost-benefit analysis." Right now we have a situation where we've got the government saying: "We're not experts in this field. We're looking at a report that was given to us in 2003. The world has changed because of the different prices for coal and natural gas, the different requirements on coal, but we're going to go ahead with it anyway. We've changed the rationale now for why we need them."

That is not going to fly with landowners, and it is not going to fly with consumer groups. If it is the case that we truly need those five independent transmission projects, the government should not have any fear of going through the regulatory process to assess and get the validation that they need. Once you have that independent regulatory approval, once you have the regulator saying, "Yeah, this is important critical infrastructure," I think that what they will find is that a lot of landowners will say, "All right, then." Right now landowners simply don't trust that the government has done the due diligence on this because the rationale for why we need these projects keeps on changing.

The rationale, as I mentioned before, initially began because they said we were going to be in blackout in Calgary in 2009. That clearly hasn't happened. Then there were reports that suggested that part of the reason this transmission needed to be built was so that it would enable the export of power, which, you can imagine, has a number of landowners very concerned that it's Alberta ratepayers who would be paying the price for lines that were ultimately to be able to give American consumers lower electricity costs.

I have to go back to when I first began to be introduced to the issue of electricity and the concerns that we had. I remember back in 2006 that the world was a different place. People were concerned. We had just been seven years into deregulation. As the Alberta director of the Canadian Federation of Independent Business I was receiving calls from my members about the concerns they had about the cost of power. They were actually so concerned about the cost of power that we got involved with the government in trying to change the way the Utilities Consumer Advocate did its work.

What we were hoping to do as I was a representative for small business – and I think this was Bill 46 – was to be able to get an independent oversight body on the Utilities Consumer Advocate. It would have included a representative from small business through the Canadian Federation of Independent Business, it would have included a representative from the Federation of Alberta Gas Co-ops, it included a representative from the REAs, it included a representative from the Alberta Association of Municipal Districts and Counties, it included a member from the Alberta Urban Municipalities Association, all of whom were very concerned about being able to have an opportunity to intervene in a regulatory process to ensure that costs were reasonably shared, to ensure that we only built the amount of transmission that we needed, to ensure that there was oversight of the transmission line and distribution process so that we weren't having extra costs being built into the costs that would ultimately flow through to consumers.

I remember that at the time there were two associations that did not want to be part of this process. One of them was the Consumers' Association. There were a couple of lawyers there who were very, very concerned about all of the groups getting together to do a single intervention. The government was making the argument that by having a single intervention, it would streamline the regulatory approval process, we would be able to move forward ensuring that we weren't having overlapping arguments, we wouldn't end up with weeks and months and years of potential delays on these types of projects, and we would be

able to ensure that we were also doing our work of protecting the consumers.

The other group, though, besides the Consumers' Association, that rejected this process was IPCCAA. They were the big, institutional representatives. The Consumers' Association and IPCCAA, like all of those other associations that I've mentioned – AUMA, AAMD and C, the REAs, the gas co-ops, and CFIB – had expertise on staff to be able to do their interventions at these rate hearings and also interventions when transmission lines were proposed. What was happening is that they were overlapping with each other, so the government wanted to streamline the process. The reason the Consumers' Association and IPCCAA did not want to be part of the process, though, is because they never believed that the government would truly make the Alberta Utilities Commission independent, and they worried that if they collapsed and moved into a government body and did not have that independence, ultimately what would happen is that we would go down the path, and the Utilities Consumer Advocate would not be able to be that effective voice for consumers.

I ended up opting out of this process because it seemed to me that they were going in the wrong direction. At the time CFIB chose not to continue with having a representative on this board. I can tell you that from what I've seen that has happened in the subsequent years, the Consumers' Association and IPCCAA were absolutely right because what happened through the process of Bill 50, when these transmission lines came forward and were approved by cabinet, is that we didn't hear the Utilities Consumer Advocate able to speak publicly about it. They commissioned a separate report, a separate report that actually confirmed what we heard all these other industry groups saying, all of these other consumer groups saying, that it was an overbuild that was unjustified. I feel badly that I didn't listen to the Consumers' Association and I didn't listen to IPCCAA back then. I actually trusted that the government believed that the regulatory process could be streamlined, that all of the interests would be listened to and heard, that the consumer interests would be protected. What we've seen in the subsequent years is that that hasn't been the case.

I suspect part of the reason why the government is not seriously considering the amendment that's been put forward by the Member for Rimbey-Rocky Mountain House-Sundre is because they've lost control over the costing process, especially for the two HVDC lines that are being proposed for the west as well as for the east. I recall reading a report that was provided to me by the Member for Rimbey-Rocky Mountain House-Sundre where the regulator had actually approved a certain amount of costs for the preconstruction and all of the pre-engineering work that needed to be done on these two lines, and they'd received approval for about a couple hundred million, if my memory serves me correctly, of construction costs. What actually happened, though, is that these two companies went ahead and invested well over a billion dollars in both of those two transmission line projects.

Here's the thing. If this is the case, that part of the reason why the government is fearful of going back to the drawing board on these lines is that they're not going to be validated and approved by the Alberta Utilities Commission and they're worried that they're going to potentially have to break contracts with those two transmission line companies, my view is that it's better to compensate those companies for their sunk costs now and limit your liability rather than potentially go through with projects that we don't need and impose tens of billions of dollars of costs on ratepayers.

I will have more to say about this, Madam Chair, but I think maybe if we did a motion to adjourn and came back to this later this evening, that might satisfy everyone. I'm prepared to make the motion to adjourn, to do that so that we can move on to Bill 2. I will then abridge my comments and hope that we can return to this later.

Thank you, Madam Chair.

The Deputy Chair: Hon. member, did I understand that you did make a motion to adjourn debate on this amendment?

Ms Smith: I did not.

The Deputy Chair: You did not?

Ms Smith: No. I was prepared to do that, but I gather that the hon. Member for Edmonton-Strathcona wants to say a word or two on this. I may resume my comments later.

Thank you, Madam Chair.

The Deputy Chair: Thank you very much, hon. member.

The hon. Member for Edmonton-Strathcona.

11:50

Ms Notley: Thank you, Madam Chair. I'm pleased to be able to rise to speak to this amendment to Bill 8 put forward by the Member for Rimbey-Rocky Mountain House-Sundre. I want to say that I'm in favour of this amendment. Now, I need to sort of put it in the context, of course, that this amendment is an attempt to fix a flawed system, and, as we've already said in a number of different contexts, there are much more substantial changes that we could make to correct those flaws and to bring about a better outcome for Albertans in terms of the delivery of electricity services throughout the province. Having said that, though, and understanding that this bill has gotten quite a bit of debate thus far, I think that this amendment by the Member for Rimbey-Rocky Mountain House-Sundre attempts to make the system less flawed, shall we say, Madam Chair.

As we know, I mean, Bill 8 as a whole is a bill which is essentially a half measure – and I would suggest not even a half measure; it's a fraction measure – to address the tremendous insult perpetrated upon the people of Alberta through this government's introduction of Bill 50 back in 2009 wherein they, not uncharacteristic of this government, brought to themselves great authority into cabinet behind closed doors to make a whole bunch of decisions that had wide-ranging implications for all Albertans, quite frankly, and to make those decisions behind closed doors. This bill removes some of that authority from this government.

Now, it's interesting that as far as I could tell, they'd never actually utilized this section, that, in fact, they used their authority through cabinet simply to establish the schedule. As far as I can tell, this particular section that they're eliminating was never actually used to do anything above and beyond the schedule, which was also included in Bill 50, which remains completely unaddressed through Bill 8. So the establishment of the six projects as critical transmission infrastructure through the schedule, which also were immune from any kind of public consideration around what is public interest, remains in place, Madam Chair, and the elimination of the one part of the bill doesn't have an immediate impact on the injustices perpetrated against the people of Alberta through the government's initiative.

Nonetheless, what this bill is attempting to do and what this amendment is attempting to do is inject some greater consideration of the interests of Albertans into the deliberation around those projects which are listed in the schedule as well as any future projects. It is an attempt to compel the government to truly consider what is in the best interests of Albertans and to do so by specifically highlighting the kinds of issues that the commission

needs to attend to. That is a very valuable introduction into this deliberation because up until now, Madam Chair, that kind of work has not been done either by the cabinet or by the AUC.

One of the things our party has called on the government to do separate and apart from this is to make the AUC much more independent of industry and also to change their mandate and the mandate of that very body to ensure that they must represent and make decisions in the public interest by injecting the set of criteria which are included in 41.1(2) of this amendment. It's an effort to do the same kind of thing that our caucus has called on the government to do and represented to Albertans that we would do as part of our energy policy, which is, as I say, to insist that the AUC do a much broader consideration of what constitutes the public interest in deliberating on these projects.

Now, I think it was the Member for Edmonton-Calder who made the very basic comment that electricity is not simply a commodity that we buy and sell in Alberta like other commodities. In fact, electricity is a fundamental need for all citizens of the province and, therefore, as with other utilities, we need to do a job of ensuring that it is accessible and affordable and well managed not only for those hoping to make a buck off it but for those citizens who simply need it as part of their daily living. As things stand right now, we've not been doing a very good job of it.

Other speakers have pointed to the historical policy initiatives of this government wherein they shifted the obligation to pay for transmission infrastructure from the companies hoping to make the money off of it to local ratepayers. Of course, those local ratepayers will then be paying the cost of the infrastructure used in some cases to transmit that particular commodity outside of the jurisdiction, which is a ridiculously unfair situation for Albertans, particularly given that we have such a generous corporate taxation policy in this province. Those corporations who make incredible amounts of money with our natural resources are not through any mechanism paying close to their fair share, so to then have Alberta consumers and Alberta industry pay the infrastructure costs of these corporations adds salt to the wound, shall I say.

Other speakers have also spoken about the fact that in (2)(d) we talk about having the commission consider "reasonable and economic operational alternatives to minimize system constraints, giving consideration to technical efficiencies, reliability and capital cost" and also under 41.1(2)(b) where we're talking about whether the critical transmission infrastructure needs can be met by other alternatives that are less expensive but equally satisfactory. Those clauses are there to get at the reality, which has been identified by a number of opposition members at this point now, that the energy delivery system in this province has evolved in a way that it is really questionable whether or not we need to build six transmission lines which could in many ways amount to an eightfold overbuild in our province.

Then the question becomes: well, what are the other things that we can consider, and what has changed? Many speakers have talked about that already. Of course, we have potentially the availability of more natural gas. We have the capacity to enhance our solar production and something that hasn't really received a tremendous amount of attention in the debate thus far, the ability to engage in conservation techniques.

I think it was in about 2008 that the Pembina Institute produced a report that talked about the trajectory of Alberta's greenhouse gas emission production, and they identified what most of us in this room know, which is that at this point, notwithstanding all the talk about the potential of the oil sands to remarkably increase our greenhouse gas emission production, really it's coal production primarily for electricity which is driving our province's greenhouse gas emissions. They focused their efforts on what could be done to create an electricity production system in Alberta that would significantly reduce greenhouse gas emissions in those sectors and therefore reduce greenhouse gas emissions for all of Alberta and all of the world since, of course, it's something that goes over boundaries.

At the time they identified that the single biggest reduction in greenhouse gas emission production through coal use in Alberta could be achieved simply through restraint and conservation measures throughout the province, that simply by having the government invest in responsible conservation efforts, we could reduce our reliance on coal-generated electricity by 50 per cent by as early as 2025, I believe. Yet since that report came out, almost nothing has been done in that regard. Yet were language like that which is included in this amendment included in the level of consideration that the AUC had to engage in, we might actually be able to have some objective, science-based, balanced, well-thought-out conversations about how we proceed with electricity and energy generation and production here in Alberta. We might be able to use some of those assets that we have at our disposal to truly move towards a more renewable energy future rather than simply putting out press releases about how we'd like to but then never actually doing anything on it.

12:00

The members for Edmonton-Calder and Edmonton-Beverly-Clareview reminded me that we've been talking for years about the need to consider feed-in tariffs in Alberta to promote local electricity generation mechanisms that would reward consumers, both industrial as well as residential, for making the investment in conservation and renewable energy use as opposed to relying on the energy that is generated through coal. This infrastructure, these six overbuilt lines, are pretty much all premised on the notion of increasing our coal production and electricity generation. It really confounds statements that were made in Disney-like press conferences by this government when periodically they suggest that conservation is a concern.

Having said that, though, it really does all come down to protecting the consumer in Alberta, Madam Chair. I do think that the subclauses in section 41.1(2) are pretty much all focused on, in one fashion or another, protecting the Alberta consumer. When we talk about protecting the Alberta consumer, we talk about doing it in a way that looks at, obviously, the price that we're compelled to pay and the degree to which that impacts on their daily lives. We also talk about the local consumer in terms of local business, in terms of what they need to pay to have businesses viable and productive within Alberta's economy. We also talk about other aspects which impact on the consumer. Again, we talk about social interests and long-term economic interests that indeed impact on how we manage the environmental risks that accompany increased energy production and development and energy use in Alberta.

All of these things are focused on consumer protection, Madam Chair. That is something that was lost completely in the Bill 50 discussion. It has been lost completely by this government in every decision they've taken around electricity production, distribution, and sale in Alberta right from when they chose to deregulate electricity and then download the cost of transmission infrastructure upgrading onto all consumers and then now with Bill 50 also jeopardizing the rights of private landowners and giving them very limited say in infrastructure development in and around the land which they own and in many cases are already using quite productively in other ways. In all cases it's really about consumer protection and compelling the AUC to listen to those needs, the needs, the interests of the average Albertan, the

needs, the interests of our landowners, of our consumers, of those in our community who are concerned about the balancing that needs to be successfully put in place between energy development and environmental preservation.

Those are the considerations that need to go into deliberations on these projects, not simply direction by some major mega-electricity transmission corporation which calls up their friends in cabinet and says: this is what we want, and we're not really going to tell you why or where. Albertans need to be part of this conversation. They haven't been up until now except as engaged political citizens who have tried valiantly outside of this Assembly to get the attention of government. Unfortunately, as I've said before, I don't believe that Bill 8 really represents success in that regard because Bill 8 has absolutely no impact on the plan of action that was crafted by this government without consultation or consideration of Albertans' needs. That plan will continue to go full speed ahead regardless of Bill 8.

This amendment would ensure that going forward a much more qualitative form of deliberation would occur and a much more collaborative form of deliberation would occur with respect to our electricity production and delivery system in Alberta. For that reason we do congratulate the Member for Rimbey-Rocky Mountain House-Sundre for proposing this amendment, and we are very pleased in the NDP caucus to support it.

With that I will end the conversation.

The Deputy Chair: Thank you, hon. member.

Are there any other speakers who wish to comment or speak on amendment A1 for Bill 8?

Some Hon. Members: Question.

The Deputy Chair: Seeing no speakers, I will call the question.

[The voice vote indicated that the motion on amendment A1 lost]

[Several members rose calling for a division. The division bell was rung at 12:06 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mrs. Jablonski in the chair]

For the motion:

Anderson	Eggen	Smith
Anglin	Fox	Stier
Barnes	Hale	Strankman
Bikman	McAllister	Swann
Bilous	Notley	Towle
Blakeman	Pedersen	Wilson
Donovan	Rowe	

Against the motion:

Allen	Griffiths	McDonald
Amery	Hancock	Pastoor
Bhullar	Horne	Quadri
Calahasen	Jansen	Quest
Cao	Jeneroux	Rodney
Casey	Johnson, J.	Sarich
Cusanelli	Johnson, L.	Scott
DeLong	Kennedy-Glans	Webber
Fawcett	Kubinec	Woo-Paw
Fraser	Lemke	Young
Fritz	Luan	

Totals: For – 20 Against – 32

[Motion on amendment A1 lost]

The Deputy Chair: Hon members, we now have under consideration in committee Bill 2.

The hon. Government House Leader.

Mr. Hancock: I love your efficiency, but I would move that we adjourn debate on Bill 8.

[Motion to adjourn debate carried]

12:20

Bill 2
Responsible Energy Development Act
(continued)

The Deputy Chair: We are debating amendment A19. Are there any members who have any comments or who would like to speak to amendment A19, Bill 2?

Some Hon. Members: Question.

The Deputy Chair: Calling the question in committee on Bill 2, the Responsible Energy Development Act, amendment A19.

[Motion on amendment A19 lost]

The Deputy Chair: The hon. Member for Strathmore-Brooks.

Mr. Hale: Thank you, Madam Chair. I do have another amendment that I would like to put forward. I have the recommended number of copies.

The Deputy Chair: We'll pause while that amendment is being distributed.

Seeing that the majority of our members have a copy of amendment A20, I would ask the hon. Member for Strathmore-Brooks to continue.

Mr. Hale: Thank you, Madam Chair. This amendment that I'm putting forward deals with part 2, Applications, Hearings, Regulatory Reviews, and Other Proceedings. It's under Applications to Regulator, section 30. I will read my amendment.

> 30.1(1) A decision on an application made in accordance with the rules must be made by the Regulator not more than 180 days after the application was received by the Regulator.
>
> (2) The Regulator may, with the approval of the Lieutenant Governor in Council, make regulations establishing a different period of time in which decisions on types of applications that cannot reasonably be processed in 180 days may be made.

Now, in my discussions with the hon. Energy minister these last few weeks we talked a lot about timelines. The whole theory behind this bill is timelines, shortening the timeline, shortening the process to get these approvals through, but there's nothing in this bill that states timelines. That's what this whole bill is about, timelines, but there are no specific timelines.

This amendment will hold the regulator accountable to the principle of this bill. It'll ensure that industry has certainty in the approval process, which is something that they want, they need, and is the reason behind this bill. If we don't state specific timelines, it gives the regulator the authority to make up timelines that may not be in the best interests of industry. Joining the two sectors and making them one for the one-window shopping is great, but if it does not improve the timeline process of the applications, then what good is it? You know, our fear is that it will create more red tape and a more strenuous application process that these energy companies must go through.

Now, we realize that there are different application procedures that must be followed for the different types of energy businesses out there, be it oil sands, shallow gas, multiwell pads. There are

lots of different factors in this approval process. That's why we put in section 2, which will give the regulator the opportunity through the cabinet to make changes to set other specific timelines, but for the general shallow gas, conventional oil systems we feel that 180 days should be sufficient.

That's kind of the gist of my amendment, to actually put in some specific timelines, give these guys a little bit of meat to hold on to, and hold the regulator accountable for this bill that's trying to go through the House.

Thank you.

The Deputy Chair: Thank you, hon. member.

The hon. Leader of Her Majesty's Official Opposition.

Ms Smith: Thank you, Madam Chair. I'm delighted to rise to speak in favour of this amendment. I would just make note that we probably could have avoided being here throughout the entire night if the members opposite had been, I think, respectful of the process, acknowledged that this was the amendment that I was hoping to be able to speak to because I feel quite passionately about it. Now we've gotten, after a lot of lack of sleep, to the point where we were hoping to have been yesterday when the two House leaders began speaking.

I appreciate that the members opposite have allowed me the opportunity to be able to speak to this amendment because it is something that I think is missing from the current legislation. I do think that this will go a long way towards giving the energy sector the certainty that it needs when it comes through this approval process.

In the second reading on this bill I mentioned a couple of examples where the regulatory approval process had been excessively delayed, which I think was the reason why the Energy minister and the Minister of Environment and Sustainable Resource Development embarked on this process for how we might be able to reduce the regulatory timelines. One was an example where a company was able to get approvals in Saskatchewan in two hours but took nine months here. Another was a company that looked to get approval in Saskatchewan and got it within 54 days; it took over two years here. Another was an oil sands project that took nine years and 300 permits and licences and approvals to get through the process. This is the very nut of what it is that this bill is trying to accomplish.

Unfortunately, by failing to put in specific time frames for how the regulator is expected by this Legislature and expected by our elected members to proceed with and approve these applications, it has been left out of the bill. The way the bill is currently written, it gives all of that discretion and latitude to the regulator, and we wouldn't be in the position that we're in today if the regulator had demonstrated responsibly that it was able to proceed with these applications in a time frame that was reasonable for industry as well as respecting the needs of landowners and the needs of our environmental community and the concerns that they have.

When I was down in Montana, I talked with a number of people who were in their department of environment about the process that they went through for approving the leg of the Keystone XL pipeline through the state of Montana. It was very interesting when we began our conservation. They said, "Well, once we received the application, we had nine months to be able to dispense with it." I asked: "Where's this magical nine months? Where does that come from?" They said, "It is prescribed to us that we have to complete this application process within nine months." Now, there are different avenues that can go off that path, but what had happened is that it created a discipline among the regulators that they had to get all of their work done within a period of time. I think that that's the job of this Legislature. It's to actually set those parameters for the regulators and then have the regulators work towards that.

Now, I do recognize, as the hon. Member for Strathmore-Brooks pointed out, that it isn't a one-size-fits-all. We have talked to industry, and we understand that there are many, many different types of applications. For some you may only need four or five days to get approval for, to be reasonable. For others it may take longer, particularly with some of these oil sands projects. It may end up taking a year or two. This is why I think it has been crafted in a way that allows for the kind of flexibility that the minister believes he needs, which is allowing for cabinet to be able to make the different time periods and different rules, but it sets the overall objective that generally speaking we want the regulator to come up with a decision within 180 days, within six months, once an application has been submitted.

12:30

We think that this is a way for us to be able to set a certain amount of parameters that allow us to also have some measure of whether or not we're being successful. Once you've actually established that most applications should be completed within 180 days, then you're able to go back and assess how much success they had in doing that. I know that this is something that the minister wants to have in regulation. What I worry about is that if we leave it to the discretion of the regulator, we're not going to achieve the certainty for industry that we want. I would ask that the members opposite consider this amendment seriously. We think it is something that industry needs to be able to get the certainty that they need.

The only disappointment I would register. Myself and the hon. Member for Strathmore-Brooks have had lots of opportunity over the last week to talk with different associations. We've spoken with CAPP. We've spoken with CEPA. On Monday we spoke with the geophysical contractors. I know that the Freehold Owners Association is taking a look at this legislation, and they would like to have amendments. I am saddened that we are coming to the end of the process to amend this bill. I'll speak more about that when we get to the third reading. I think that because we rushed through it, because certain groups haven't been able to see the actual letter of the legislation and would have liked to have been able to make changes, we actually are shortchanging all of the associations that I think this bill is supposed to benefit. We're shortchanging the landowners, who remain concerned that their interests are not going to be fully protected and actually are seeing that some of the current rights that they enjoy are being rolled back, and the issue of public interest and the concern that the public has about making sure these decisions are made in the public interest, with due respect for the environmental concerns.

I'm worried that because we have raced through and I think the government has not given due consideration to the full range of stakeholder consultation that needed to be done once this bill was introduced, there are still going to be some serious problems with this legislation. To me, though, this one is an amendment that I can't see why the government would oppose. They've stated on the record they want to have timelines. I think it's the job of this Legislature to meet that expectation with the public, with the industry, that there are going to be some timelines. That's what this amendment aims to do.

I would ask the hon. members to register their support. I'll be voting in favour.

The Deputy Chair: Thank you, hon. member.

Is there anyone else who would like to comment or speak on amendment A20 to Bill 2, Responsible Energy Development Act?

Seeing none, we'll call the question.

[Motion on amendment A20 lost]

Mr. Hancock: Perhaps, Madam Chair, if I could, unanimous consent to shorten the bells if there are any bells?

The Deputy Chair: The hon. Government House Leader has moved that the bells be shortened.

[Unanimous consent granted]

The Deputy Chair: We will shorten the bells. They'll ring for 30 seconds and then one minute, and then they'll ring for another minute after that.

We are back on Bill 2. The hon. Member for Strathmore-Brooks.

Mr. Hale: Thank you, Madam Chair. I'm sure that the government will be very pleased that this is my last amendment. I do have the required number of copies I'd like to pass out.

The Deputy Chair: We'll just pause while that amendment, that will be known as A21, is passed out.

Seeing that the majority of our members now have the amendment, we can proceed. The hon. Member for Strathmore-Brooks on amendment A21.

Mr. Hale: Thank you, Madam Chair. This amendment that I'm proposing moves that Bill 2, Responsible Energy Development Act, be amended as follows: section 1(1)(r) is amended by striking out subclause (ii), and section 68 is struck out.

Section 68 currently reads: "The Lieutenant Governor in Council may make rules in respect of any matter for which the Regulator may make rules under this Act or any other enactment." This is probably the biggest statement in this bill. It doesn't really matter what rules the regulator makes, what rules the Lieutenant Governor in Council, the Energy minister makes at any given time. They can come back and change it. This should bring a lot of uncertainty to the energy industry, knowing that these rules can be changed at any time. Now, I do know that that's the way it is in the ERC Act and the environment act, but as I stated before, just because that's the way it's always been done doesn't make it right. We need to have certainty in our energy sector, not as we see in Bill 8, that's put forward amending the electricity statutes amendment act. They're not experts in all facets of Alberta.

I'm sure there are many individuals on the government's side that are very well versed in the energy industry and have vast knowledge. But are they going to be the ones making the decisions, making these rule changes, making up these regulations? Don't know. Nobody really knows for sure. Throughout the years as the members change – and some may not come back; some may – the ability to change these rules will also change. This goes a long way toward what the government has been talking about, the openness and transparency. If we take this section out, then that regulator and the commissioners will be at arm's length from the government. I think that will go a long way to our energy industry and to the people of Alberta, showing that – you know what? – maybe we do have a regulator that can act on behalf of Albertans and not necessarily act on the wishes of the cabinet.

I would hope that you would look at this amendment and vote in favour. Thank you.

The Deputy Chair: Are there any other speakers on amendment A21 to Bill 2?

Seeing none, I'll call the vote.

[Motion on amendment A21 lost]

The Deputy Chair: We are back on Bill 2. The hon. Member for Edmonton-Centre.

Ms Blakeman: Yes. Thank you very much, Madam Chair. I have provided the table with a copy of my amendment, and I believe people are distributing it now.

The Deputy Chair: We will pause for a moment, Member, while that amendment gets distributed.

12:40

Ms Blakeman: It's A22. Well, you know, it's got a nice ring to it.

The Deputy Chair: We can now proceed. The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Madam Chair. I am moving a motion written by my colleague the Member for Calgary-Buffalo that is seeking to amend section 2(1)(b) in the act. It's attempting to do two things here. One is to set out a preamble, and the second is to as part of that preamble enshrine the concept of public interest.

Now, it is unusual to have a resource bill that doesn't have a preamble. While that preamble can't be argued in court – it doesn't have legal standing, unlike the rest of the bill – it really does help shape the context. For those that are trying to apply the bill, it helps them understand the direction that we, the Legislature, intended. To bring forward a resource bill without a preamble is, well, a little odd. We don't. We go straight from, you know, the usual "enacts as follows" straight into interpretation. We come out of interpretation, which is always the second section, and go into section 2(1), which is the mandate of the regulator.

The mandate of the regulator as it stands now under section 2(1), on page 8 of the hard copy for anyone following along, is

> (a) to provide for the efficient, safe, orderly and environmentally responsible development of energy resources in Alberta through the Regulator's regulatory activities, and
> (b) in respect of energy resource activities, to regulate
> (i) the disposition and management of public lands,
> (ii) the protection of the environment, and
> (iii) the conservation and management of water, including the wise allocation and use of water.

We are proposing to add in a third subsection under that that would say:

> (c) to consider the broader public interest of Albertans including the energy, economic and environmental needs of those Albertans not directly affected by its decisions.

There are two things you need to know as part of this. One is that the phrase "public interest" would now be enshrined in the bill, and it is not in the bill, surprising because it has been in the previous bills. It is very strange. We've got two related things. There is no kind of preamble that sets out the course to be followed, and when we would expect to see something that was enshrining public interest to replace it, we don't have that either. What we're trying to do is essentially make a preamble out of that first section, the mandate of regulator, and in that to enshrine the broader public interest.

The second phrase that's important here is "directly affected." You've heard the arguments many times now in the House about the narrowing of the scope to which much of this applies, to only people

directly affected, and how much concern that has caused. So if you live across the road from where the pipeline or the transmission line is going in, well, you may not have much standing, but if it's actually on your property, then you're directly affected. We wanted to make sure that we were getting that in there as well.

I should make note that I did consult the ablawg.ca, which is the University of Calgary Faculty of Law blog on developments in Alberta law. They have actually written a paper on this particular bill if anybody wanted to look it up and have a look at it. They do raise these two points, which I was very happy to see because it supported what my colleague from Calgary-Buffalo and I felt very strongly needed to happen.

In the case where there are conflicting interpretations and approaches, this particular amendment would give some context and direction for those that are trying to implement it and would put the phrase "public interest" and all of what that means back into the bill. It's fundamental to the current ERCB's mandate. It's surprising, but it's also unnerving that it has completely disappeared out of this bill, the Responsible Energy Development Act, and it hasn't been replaced with anything even close. So that's what we were attempting to do with this.

I don't want to take a lot of time because I know there's another amendment coming. I hope I can get your support in doing those two things. Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any others who wish to speak on amendment A22 to Bill 2, Responsible Energy Development Act?

Seeing none, I'll call the question.

[Motion on amendment A22 lost]

The Deputy Chair: We are now on Bill 2. The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Anglin: Thank you, Madam Chair. I'll give the proper couple of pages of the amendment. There you go.

The Deputy Chair: Thank you, hon. member. We'll pause as we distribute the amendment.

Hon. member, we can now proceed with amendment A23 for Bill 2, Responsible Energy Development Act.

Mr. Anglin: Thank you, Madam Chair. What I'm proposing to do is to amend section 61, adding in section 61.1, which basically says that notwithstanding the rules made under 61(r), the rules under 61(r) shall not "limit the ability of the Regulator to award fair and just costs to an eligible person as defined under section 36(a)." I will just be brief on this. This government has always made it clear that it wanted to treat property owners, landowners fairly and justly. All this amendment does is put it into legislation in a prescriptive form.

Thank you very much.

12:50

The Deputy Chair: Thank you, hon. member.

Are there any others who would like to speak on amendment A23?

Seeing none, I'll call the question.

[The voice vote indicated that the motion on amendment A23 lost]

[Several members rose calling for a division. The division bell was rung at 12:51 p.m.]

[One minute having elapsed, the committee divided]

[Mrs. Jablonski in the chair]

For the motion:

Anderson	Donovan	Stier
Anglin	Hale	Strankman
Barnes	McAllister	Wilson
Blakeman	Pedersen	

Against the motion:

Allen	Fraser	Leskiw
Amery	Fritz	Luan
Bhullar	Hancock	McDonald
Calahasen	Horne	Pastoor
Campbell	Jansen	Quadri
Cao	Jeneroux	Quest
Casey	Johnson, J.	Rodney
Cusanelli	Johnson, L.	Sarich
DeLong	Kennedy-Glans	Scott
Dorward	Klimchuk	Webber
Drysdale	Kubinec	Woo-Paw
Fawcett	Lemke	Young

Totals:	For – 11	Against – 36

[Motion on amendment A23 lost]

The Deputy Chair: We are back on Bill 2. Are there any other members who wish to speak or comment on Bill 2?

Seeing none, we'll call the question. Are you ready for the question on Bill 2?

Hon. Members: Agreed.

[The remaining clauses of Bill 2 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

[The voice vote indicated that the request to report Bill 2 carried]

[Several members rose calling for a division. The division bell was rung at 12:56 p.m.]

[One minute having elapsed, the committee divided]

[Mrs. Jablonski in the chair]

For the motion:

Allen	Fraser	Leskiw
Amery	Fritz	Luan
Bhullar	Hancock	McDonald
Blakeman	Horne	Pastoor
Calahasen	Jansen	Quadri
Campbell	Jeneroux	Quest
Cao	Johnson, J.	Rodney
Casey	Johnson, L.	Sarich
Cusanelli	Kennedy-Glans	Scott
DeLong	Klimchuk	Webber
Dorward	Kubinec	Woo-Paw
Drysdale	Lemke	Young
Fawcett		

1:00

Against the motion:

Anderson	Fox	Stier
Anglin	Hale	Strankman
Barnes	McAllister	Towle
Donovan	Pedersen	Wilson

Totals:	For – 37	Against – 12

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Madam Chair. I do appreciate your efficiency. I move that the committee rise and report Bill 2 and report progress on Bill 8.

[Motion carried]

[Mrs. Jablonski in the chair]

The Acting Speaker: Would the Member for Calgary-Varsity please give the committee report.

Ms Kennedy-Glans: Madam Speaker, I'd be happy to. The Committee of the Whole has had under consideration several bills. The committee reports on the following bills. The committee reports the following bill with some amendments: Bill 2. The committee reports progress on the following bill: Bill 8. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: Thank you.
Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.
The hon. Government House Leader.

Mr. Hancock: Thank you, Madam Speaker. It gives me great pleasure to move that we adjourn until 1:30 p.m.

[Motion carried; the Assembly adjourned at 1:03 p.m. on Wednesday to 1:30 p.m.]

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