



Province of Alberta

The 29th Legislature
Fourth Session

Alberta Hansard

Wednesday afternoon, May 2, 2018

Day 23

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

Fourth Session

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Legislative Assembly of Alberta

1:30 p.m.

Wednesday, May 2, 2018

[The Speaker in the chair]

The Speaker: Good afternoon. Please be seated.

Introduction of Guests

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

Mr. Nixon: Well, thank you, Mr. Speaker. It's a pleasure to rise today to introduce to you several grade 6 school groups from River Valley school in my hometown of Sundre. There are a lot of them, I believe, on all sides of the gallery. They're here today with their teachers, Ms Jennifer Cheung, Mr. Marc Doucette, and Miss Sonja Logan, as well as their chaperones: Jason Spurrier, Nancy Svatos, Lacey Sewepegaham, Chris Hunter, Jenna Grant, Krista Saunders, Jason Sykes, Jim Harper, Shawn MacNeil, and Alison Butler. These are great kids from a great town. I enjoyed visiting with them the other day. Let me tell you that they are some of the best grade 6 classes in this province, and I'm glad to see them here at my work. I'd ask that they rise, all of them, and receive the traditional warm welcome of this Assembly.

The Speaker: Welcome.

The hon. Member for St. Albert.

Ms Renaud: Thank you, Mr. Speaker. M. le Président, c'est avec fierté que je me lève dans cette Chambre aujourd'hui pour introduire les étudiants from l'école Father Jan. They're accompanied by their teacher, Guylaine Lefebvre-Maunder, and their chaperones: Mr. Kelly Warawa, Mrs. Danette LeRoux, Mrs. Heidi Pisani, and Danielle Evanson. I'd ask them all to rise and receive the warm welcome of this House.

The Speaker: Welcome.

Are there any other school groups, hon. members?

The hon. Member for Edmonton-Castle Downs.

Ms Goehring: Thank you, Mr. Speaker. I'm honoured to introduce to you and through you to all members of the Assembly three distinguished guests from 1 Field Ambulance primary care clinic in Edmonton. Here today are Major Heath Robson, Jill Washington, and Beth Gallant-Loggie. Major Robson is a clinic manager of one of the largest Canadian Armed Forces primary care clinics and networks in the country, serving CAF members in Edmonton, Yellowknife, Suffield, and Calgary. Jill and Beth are social workers specializing in addiction counselling and recovery. They have developed the rapidly growing aftercare program, which looks to change the narrative around addiction and engage patients, friends, and the chain of command to become more positive, proactive actors in the recovery of members. I would now ask my guests to rise and receive the traditional warm welcome of the Assembly.

The Speaker: Welcome.

The hon. Minister of Municipal Affairs.

Mr. S. Anderson: Thank you, Mr. Speaker. It's an honour to introduce to you and through you to the members of the Assembly the chair of the Special Areas Board, Mr. Jordon Christianson. Jordon was born and raised in the small community of Oyen, which I've had the pleasure of visiting, in eastern Alberta, where his

family farmed and ranched south of town. He attended the University of Saskatchewan, where he received a bachelor of science degree in agriculture. In '99 Jordon began his career with the Special Areas Board as an agricultural fieldman in Consort and then moved to a field services administrator position, where he was responsible for the approval of industrial activities on public land in the special areas. From there he became the director of property administration, and in September 2015 Jordon was appointed chair of the Special Areas Board. But he still remains active on his family's farm. Between the Special Areas Board and the farm he continues to build relationships throughout the region while maintaining a strong connection to the land and its native prairie. Jordon is seated in the public gallery, and I ask that he stand and we all join to give him the warm welcome of the Assembly.

The Speaker: What the minister didn't announce is that he's from southeastern Alberta. That's good.

The hon. Minister of Health.

Ms Hoffman: Thank you very much, Mr. Speaker. I have two groups to recognize today. The first is patient advocates from the Edmonton patient support group for Bladder Cancer Canada, who are seated in the members' gallery. May is Bladder Cancer Awareness Month, a time to focus attention on advocacy, prevention, research, and, of course, a cure. They ask that you help spread the message far and wide by using #yellowhelps and perhaps describing how Bladder Cancer Canada has helped loved ones along the way. I also recognize that they're wearing a lot of yellow today. I invite Michele, Dick, Merv, Hildegard, Randy, Ruby, Reg, Bette, Scott, Gloria, and Tom to please rise and receive our warm welcome.

The Speaker: Welcome.

Ms Hoffman: Mr. Speaker, thank you very much. The second introduction I have is the Scleroderma Society of Canada and the Pulmonary Hypertension Association of Canada, who are seated in the members' gallery. They work to improve quality of life for patients living with scleroderma and PAH through education and supports, research, and public awareness. Thank you for your advocacy and for your partnership. I invite Jeannette, Arnold, Margaret, Susan, Yvette, Gillian, Miaya, Kristy, Anna, Ruth, and Joanne to rise and receive the warm welcome of our House.

The Speaker: Welcome.

Members' Statements

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Violence Prevention

Mr. Drysdale: Thank you, Mr. Speaker. Like all of us in this Chamber, I was horrified by the vicious attack that took place in Toronto last week and incredibly saddened at the senseless loss of 10 vibrant lives. It's hard to comprehend that such an act could take place in our country and on our streets. It's hard to understand the motivation of an individual to commit such a sick attack. Ten innocent lives taken and more injured. While the investigation is ongoing, it has already served to shine a light on a dark corner of the Internet where sad loners can fester and hatred grow. It turns my stomach to know that there is an entire online community of men who feed this rage.

Mr. Speaker, this must stop, and we must be part of the solution that puts an end to this scourge, which is why my United Conservative colleagues and I proudly support the government's

proclamation of May as Sexual Violence Awareness Month. It is clear that more can and should be done to address the attitudes that all too often excuse the alarming and dangerous behaviour that precedes sexual assault, domestic abuse, and violence against women. We must encourage a culture where this behaviour is noticed and addressed before violence occurs, not recognized after the fact.

My heart breaks for the eight women and two men who lost their lives on the corner of Yonge and Finch last week, 10 people who tragically found themselves in the wrong place at the wrong time, 10 human beings who each led unique lives filled with purpose and promise, 10 who are desperately missed by all who loved them. Let us keep them in our hearts as we work to stomp out violent hatred in all its forms.

Thank you, Mr. Speaker.

The Speaker: Thank you.

The hon. Member for Edmonton-Castle Downs.

Energy Industry and Trans Mountain Pipeline

Ms Goehring: Thank you, Mr. Speaker. Today I stand to talk about the future of Alberta and the future of Alberta's energy industry. I know that a lot of people both inside and outside the province think that Alberta's energy industry is about big oil and gas projects and pipelines, but to me, Alberta's energy industry is about people.

It's about the thousands of workers in my constituency of Edmonton-Castle Downs and my family, who rely on the energy industry for good-paying jobs that help them support themselves and their families. It's about the 4.3 million people who live in Alberta who rely on government services like health care and education. It's about the thousands of people in our health care and education sectors who go to work every day to make life better for Albertans. It's about our children, who deserve a future where they can count on good jobs and educational opportunities. It's about their children and the people of Alberta for generations to come, who need to live in a province that is not only a leader in energy production but a leader in environmental protection and social justice.

Right now, Mr. Speaker, it's about the people all across western Canada who know that the right thing to do is to allow the Kinder Morgan expansion to proceed. The majority of people in both Alberta and B.C. are in support of the Kinder Morgan expansion. They know how important this project is to their future, and they are looking to our government and the federal government for leadership against those who would stop it.

That's why I am so proud of our government for putting forward Bill 12, Preserving Canada's Economic Prosperity Act, because the fight isn't just about the energy industry in Alberta. The fight is about a future that looks greater and better for everyone in our country.

Thank you.

The Speaker: The hon. Member for Fort McMurray-Wood Buffalo.

British Columbia's Environmental Policies

Mr. Yao: Thank you, Mr. Speaker. During all of the environmental preaching and pipeline bashing we have heard out of British Columbia's NDP government, one thing has left me truly baffled. While Albertans were made to feel guilty by their own NDP government for needing to drive to work and having to heat our homes in the winter, a B.C. mine is leaking acid waste into one of the richest salmon runs in the region and has been for over 60 years.

As Albertans were yearning for social licence with a carbon tax cherry on top, British Columbia's motto must have been Do as I Say, Not as I Do. In this ecological delusion they've demanded pristine environmental sanctity, all the while being responsible for about 40 per cent of the 120 million cubic metres of untreated sewage and runoff sewage that entered Canadian waterways in 2016.

1:40

The upcoming Kinder Morgan decision has left Alberta's workers waiting anxiously, with their hard hats in one hand and an uncompromising sense of hope in the other. They understand that with or without environmental policies, Calgarians cannot get by much longer with the third-highest unemployment rate amongst Canada's major cities and over 156,000 unemployed Albertans throughout the province. The green infrastructure that B.C. idealizes from their high horse cannot be built from a largely unemployed population. Moreover, the prevention of a pipeline leaves us little option but rail, risky, costly rail. Mr. Speaker, Warren Buffett had it right.

However, it seems to be out of sight, out of mind for Premier Horgan's pipeline protestors. They choose to protest Alberta's ethical oil while turning a blind eye on their own provincial capital dumping 145 billion litres of untreated sewage into the ocean. Hypocrisy at its finest.

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

University of Calgary Dinos

Mr. Sucha: Thank you, Mr. Speaker. With the end of the spring semester at the University of Calgary I'd like to take this time to reflect on the accomplishments of their varsity teams. In the 2017-18 academic year we saw the U of C Dinos make accomplishments like women's volleyball winning the Canada West championship for the first time since 2005, the men's cross-country team winning the Canada West championship for the first time since 2008, the women's rugby second straight Canada West title, the Dinos sweeping the Crowchild Classic hockey games at the Pengrowth Saddledome – sorry, MRU – the men's football team win its eighth Hardy Cup win in 10 years. I'll never forget the 59-yard field goal. And dozens of medals were won in cross-country, swimming, and wrestling.

But the largest underdog win came from the Dinos men's basketball team. After beating Brock and McGill in the U Sports Final 8 tournament, the Dinos entered the championship as the clear underdog compared to the large-statured Ryerson University. Dinos head coach Dan Vanhooren even mentioned that in looking at his players' physiques, you could confuse them for a soccer team. Despite that, with the game tied at 77 with nine seconds left, Dinos player Mambi Diawara scored the game-winning two-point shot to crown them their first national championship. This is the first time in eight years that Carleton University didn't win the big championship, a team that upset the Dinos just two years ago.

Following the tournament, players David Kapinga and Mambi Diawara would go on to represent Canada with a silver medal win in men's basketball at the Commonwealth Games just last April, and they would be joined by students like Jackson Payne and Allison Beveridge, who won medals in gymnastics and cycling, as well as alumni Erica Wiebe, who won gold in wrestling.

I'm sure I speak for all members in this Assembly, including the Member for Calgary-Varsity and Minister of Service Alberta and Status of Women, when I congratulate all Dinos athletic players on their amazing accomplishments this year.

Organ and Tissue Donation

Mr. van Dijken: Mr. Speaker, last week was National Organ and Tissue Donation Awareness Week, and it's meant to raise awareness about the critical need for more donors across the country. Approximately 4,500 Canadians are waiting for a life-saving organ transplant. The sad reality is that, on average, 250 Canadians die each year waiting for a transplant. Making that important decision to donate is the first step to saving lives.

Mr. Speaker, a couple of weeks ago I received an e-mail from a constituent saddened by the Humboldt tragedy. The event reminded him of the loss of his own son in 1987, also a junior hockey player. Fortunately, before his accident his son had signed the organ donor card and made the family aware of his wishes. His son's heart allowed another man to live for 28 more years. Then in 2006 my constituent's wife received a heart transplant, making them the only family they know of that have seen it both ways. My constituent and his wife, during her physio visits at the U of A hospital, saw a number of fine folks pass away because there were no donors.

The death of an 11-year-old boy put him on a speaking tour, wearing his hat as a Rotary president in the Peace Country. The Rotary was good enough to endorse his crusade. He spent three years and six figures of his own money to try and advance the cause. His goal was to achieve a national registry. My constituent informed me that it finally came to a vote last fall in Ottawa. The NDP and the Conservatives voted for it. Trudeau, however, whipped the Liberals to a no, and he still hasn't heard a rational reason from anyone as to why.

It strikes him that this would be an ideal time to revisit the issue, and a push from Alberta certainly could help. Albertans have a valuable role to play. Albertans are encouraged to join forces with health care providers, governments, and Canadian Blood Services to help us create a day when no one in Alberta dies waiting for a transplant.

The Speaker: The hon. Member for St. Albert.

Sustainable Economy

Ms Renaud: Thank you, Mr. Speaker. Since the start of the first Industrial Revolution in the mid 18th century, successive waves of invention have driven economic development. From whale oil to fossil fuels, the invention of water power, steam power, electrification, the internal combustion engine, the space age, and an increasingly digital world: all of these things drove societal change.

Today we find ourselves at the beginning of a sustainability revolution, a revolution that includes renewable energy, the restoration of ecosystems, zero-waste circular economic products, sustainable farming, biomimicry, and nanotechnology. History reveals that each time technology reaches maturity, it is subject to a period of adjustment before ultimately being replaced. History reveals that there are always people who fear and resist change. Scientists and academics all over the world have told us that if the world is to maintain and raise living standards while avoiding the worst impacts of climate change, resource depletion, and ecosystem degradation, economic change is vital.

We know we must work towards becoming a less carbon-intense society. We have to methodically co-ordinate, support, and fund transition to clean technology and energy. This takes time and the political will to do what is tough and right. It takes vision and leadership and the ability to bring changes like the carbon levy, one tool that helps change behaviour, the economy, and our future.

The leader of the UCP has really only just arrived at a place where he finally believes man-made climate change is a real threat to our future. He was a minister in a government that systematically muzzled scientists. It is clear he has no vision for a future that is sustainable and green, let alone the desire or political will to make the hard choices to get there. Who loses if he's allowed to take us backwards? Our children and their children.

Thank you.

Tabling Returns and Reports

The Speaker: The hon. Member for Highwood.

Mr. W. Anderson: Thank you, Mr. Speaker. I want to table the required number of copies for the House regarding a confirmation of Transport Canada's CADORS report.

Oral Question Period

The Speaker: The hon. Leader of the Official Opposition.

Bill 12 Implementation

Mr. Kenney: Thank you, Mr. Speaker. A question for the Premier: under what conditions would the Premier use the proposed power to restrict the shipment of Alberta oil to British Columbia?

The Speaker: The hon. Premier.

Ms Notley: Thank you very much, Mr. Speaker. I have been very clear that once we get Bill 12 passed, we will do whatever is necessary to protect Alberta's interests, and we will strategically deploy our resources on the basis of the circumstances at the time to be absolutely firm in protecting Albertans' interests and getting that pipeline built. We know that we're making progress. Just today we've seen yet another poll to show that support for our pipeline is growing significantly in the province of British Columbia.

Mr. Kenney: Since the Premier didn't answer the question, I'll ask it a second time. Under what conditions would the Premier use the proposed power to restrict the shipment of Alberta oil to British Columbia? I'll repeat: under what conditions?

1:50

Ms Notley: As I've already said many, many times, Mr. Speaker, we will do what is necessary based on the best strategic decisions at the time. Previously the member opposite went around suggesting that perhaps we wouldn't do it. I've been very clear that we would do it if it was the thing that needed to be done, and this bill has been designed for us to use it in very short order. You know what isn't helpful? It's as if we're at a card game and the member opposite is standing behind me trying to signal our moves to our opposition in order to help them. This is not helpful. He should get on team Alberta and stop cheering for team B.C.

Mr. Kenney: I think we're starting to see a pattern here, Mr. Speaker. Actually, we have for weeks: a simple, very direct, straightforward policy question answered with a lot of partisan bombast and personal attacks. It's unfortunate. But since the Premier still hasn't tried to answer the question, I'll ask it a third time. It's really a very simple, straightforward, objective question about the government's policy, no partisan torque. Under what conditions would the government use the proposed power to restrict the shipment of Alberta oil to British Columbia?

The Speaker: The hon. Premier.

Ms Notley: Well, thank you very much, Mr. Speaker. Again, I mean, the bill itself is very clear. The purpose of the bill is to ensure that Albertans get the best value for the resources that we own, and we will strategically deploy our export of that product in a way to ensure that we get the best value for the resources that we own. That will depend on the circumstances at any given time. The bill is crafted in a way to make sure that we can do that quickly when necessary, but it is very much based on the circumstances at the time.

The Speaker: Second main question.

Mr. Kenney: I'll infer, Mr. Speaker, from the third failure of the Premier to answer a very simple question, that she doesn't know under what circumstances, that she's making this up as the government goes along.

Bill 12 Pipeline Approval

Mr. Kenney: Now, we're just 30 days away from the prospective cancellation of the pipeline according to Kinder Morgan, which said just last week that the project remains possibly untenable. Contractors working for Kinder Morgan are laying people off. They're scaling down. Unions are saying that the uncertainty has trickled down into people's lives. Mr. Speaker, is it the Premier's view that she won't use this power until after Kinder Morgan potentially cancels the pipeline?

The Speaker: The hon. Premier.

Ms Notley: Thank you very much, Mr. Speaker. That's absolutely not true, nor is the previous assertion that we don't know when we would use it true. However, we do retain the right to exercise these authorities in a strategic way that gets the pipeline built. Now, I appreciate that the member opposite doesn't have experience with that because he's never managed to get a pipeline built to tidewater, so in building on the same failure, perhaps that's what he wants to set us up for. That's not what will happen here. We are working very hard to get this pipeline built, and as I've said before, it will be built because we know that that is the job Albertans expect us to do.

Mr. Kenney: Did we see what just happened there again, Mr. Speaker? A very straightforward policy question, with a nonresponse, followed by a partisan attack. It's a very clear pattern.

Mr. Speaker, the question is this: what's the point of this purported power to restrict the shipment of Alberta oil to British Columbia if it's not used before the potential cancellation of the pipeline? What's the point of leverage that is not applied? Why has she brought forward this bill while Premier Horgan has gone back to court to further delay the pipeline? Where is the leverage?

The Speaker: The hon. Premier.

Ms Notley: Thank you very much, Mr. Speaker. Quite honestly, I think that a lot of it's already happened, but at the end of the day the stated purpose for the bill is outlined very clearly in the bill. It's interesting that the member opposite talks about the government of B.C. going to court because, of course, that's where he wanted to go. He wanted to send the whole matter to court, which, to be clear, was not a good idea. We are working very, very hard to get this pipeline built. We are in daily conversations with the people, ultimately, who have the authority to make it happen, much like the member opposite was part of a group like that some years ago who didn't make it happen.

The Speaker: Thank you, hon. Premier.

Mr. Kenney: Well, another non answer, another partisan attack, Mr. Speaker. That's what happens when a head of government can't actually articulate or defend their own policy.

Mr. Speaker, yesterday, however, we did get a bit of an admission from the Premier that she surrendered to her close ally Justin Trudeau on the Northern Gateway pipeline when she told us that she insisted on one pipeline to a coast. Is that why Justin Trudeau felt there would be no push-back from the Alberta government if he vetoed the Northern Gateway pipeline and killed the Energy East pipeline? Will the Premier take some responsibility for that?

The Speaker: Thank you.

The hon. Premier.

Ms Notley: Well, thank you very much, Mr. Speaker. You know, speaking of defending one's own policy and speaking of Northern Gateway, I think it's very interesting that we now have even better insight into why the member opposite and his federal government failed to get a pipeline built to tidewater. We learned that three years ago, when asked on national TV why he wouldn't stand up to defend the decision to support Northern Gateway, the member opposite said, and I quote: no particular project is a national priority. That's what the member opposite said about Northern Gateway. Now I'm starting to see what it looks like when you don't fight for your decisions, unlike what this government is doing every day. [interjections]

The Speaker: Order.

Third main question.

Mr. Kenney: Another partisan attack, followed by desk thumping and heckling, Mr. Speaker. The anger machine doesn't know when to stop.

Physicians' Disciplinary Policies

Mr. Kenney: Mr. Speaker, on a different matter, when we were last sitting, the Member for Chestermere-Rocky View raised a very troubling case of a physician in Alberta who has been charged with sexual assault but was allowed to maintain his medical licence. The Minister of Health, quite rightly, undertook to raise this with the College of Physicians & Surgeons. I'm wondering if she could please update the House on what response she has received. And has the college decided to change their policy in this respect?

The Speaker: The hon. Minister of Health.

Ms Hoffman: Thank you very much, Mr. Speaker. I'm deeply concerned by this. Women and all Albertans should feel safe while accessing medical care. Doctors are in a position of trust, and patients have a right to know if there have been disciplinary histories for those they've put their trust in. We've definitely raised this with the College of Physicians & Surgeons – we did that immediately – and I want to assure everyone that they today believe they require some additional tools to be able to keep Albertans safe. We're very keen to work with them on making sure that those are in their tool box as we move forward. Unfortunately, that wasn't done previously by the former government.

The Speaker: Thank you.

Mr. Kenney: Mr. Speaker, can the minister clarify, please, whether or not the College of Physicians & Surgeons has agreed that they will withdraw licences to practise from physicians who are charged

with sexual assault or are under investigation for that kind of terrible crime?

The Speaker: The hon. minister.

Ms Hoffman: Thank you very much, Mr. Speaker. Some governments are further ahead of us in their work in this regard. For example, Ontario recently took legislative steps to prevent sexual abuse by amending the Regulated Health Professions Act to expand the grounds for mandatory revocation of a medical licence. That hasn't been the case in other jurisdictions. But when I raised this as one step that we might be considering here in Alberta, the college said that they would certainly comply with us in making that the case were this House to adopt legislation that would enable them to do so. We're definitely working in close partnership to make sure that all Alberta women can feel safe when they're going to the doctor.

Mr. Kenney: I thank the hon. minister for the substantive answer, Mr. Speaker. I think the minister is telling us that the college will not do this unilaterally but requires legislation. Why could the college not take its own disciplinary action to withhold licences from physicians accused of sexual assault? Secondly, I can assure the minister that we would co-operate with the expeditious passage of any legislation granting the college that power.

Ms Hoffman: I'm excited to hear that the member is willing to show up and vote on a bill that is certainly important to women accessing health care services, Mr. Speaker. That is certainly good news. We are keen to work with the College of Physicians & Surgeons to address this. They have been willing partners.

It's good to hear that the member of the Official Opposition plans on showing up in this regard. Really, Mr. Speaker, I've heard the quote that 90 per cent of success is about showing up. As an Alberta woman I'm concerned about what the track record of that member has been, but I'm glad he plans on showing up for this vote.

The Speaker: The hon. Member for Calgary-South East.

Coal Community Transition Climate Leadership Plan

Mr. Fraser: Thank you, Mr. Speaker. The government has said in the past that they would ensure that no single community would bear the brunt of the early phase-out of coal. That makes for a good sound bite, but it doesn't match the reality of the situation. The coal community transition fund is a good first step, but with some communities facing economic impacts in the hundreds of millions of dollars, it's barely a drop in the bucket. Coal communities are wondering: what comes next? To the Premier: will you commit to giving these communities all the support they need when it comes to transition?

The Speaker: The hon. Minister of Infrastructure.

Ms Jansen: Thank you, Mr. Speaker. We want coal communities to continue to be places where workers can earn a good living. It is a priority for us in this government, and that's why we are currently making sure that these workers have all the support that they need. You know, we're calling on the federal government as well to step up and pull their weight in supporting these communities. We've provided workers with direct funding to help bridge their income to re-employment or retirement. We are covering all the angles on this issue. Happy to work with the member if he has suggestions to help us going forward.

2:00

Mr. Fraser: Mr. Speaker, our caucus had the opportunity to speak with representatives from Parkland county. They laid out the difficulties that the coal phase-out poses for them, and it was pretty bleak. But they weren't there to complain; they were there to discuss solutions. They laid out several ways that the Parkland community could diversify and mitigate the loss of revenue. One piece was upgrading their highway infrastructure, a project that currently sits on the unfunded list. To the same minister: since your government accelerated the coal phase-out and pulled the rug out from under Parkland county, will you also accelerate their infrastructure funding and help them get back on their feet?

The Speaker: The hon. Minister of Environment and Parks.

Ms Phillips: Well, thank you Mr. Speaker, and thank you to the hon. member for the question and for his engagement with Parkland county. I, in fact, grew up in Parkland county, and we have engaged with that community. The hon. Minister of Economic Development and Trade, through his coal transition task force, engaged with that community and others, Hanna and elsewhere, to make sure that that \$40 million fund meets the immediate needs of workers. Now, of course, there are other community investments that we can make. For example, we are looking at our options around community power projects and how communities can avail themselves of that. Of course, there are infrastructure investments that we can and are making.

The Speaker: Thank you, hon. minister.

Mr. Fraser: Mr. Speaker, climate change is real, it's man-made, and it's a serious issue that we need to address. However, we need to make sure that any plan to address climate change doesn't leave Albertans in the lurch. Decisions like the coal phase-out, changes to electricity systems, and the carbon tax have real economic consequences, but there is little to no information available to the public about the total economic impact that this government's climate leadership plan has. To the same minister: will you commit to a detailed, Alberta-wide assessment of the economic impacts of the climate leadership plan whether they're positive or negative?

The Speaker: The hon. minister.

Ms Phillips: Well, thank you very much, Mr. Speaker. In fact, the climate progress report was posted on the Alberta Environment and Parks website in December 2017, which is a very detailed analysis of actions taken so far and actions that are planned for the future. One of those actions that we have taken is making sure that the federal government took action on coal-to-gas conversions for the communities that the hon. member has visited. The previous government did not allow for coal plants to convert to natural gas, which saves jobs and keeps those plants running for a lot of those workers that he's talking about. We got that job done.

The Speaker: The Member for Calgary-Klein.

Aids to Daily Living Program

Mr. Coolahan: Thank you, Mr. Speaker. Alberta aids to daily living, or AADL, assists Albertans with long-term disabilities or chronic illnesses. The program's cost-sharing function plays an important role in ensuring that hearing aids, which can cost thousands of dollars, remain affordable. To the Minister of Health: can you please outline who is eligible for these benefits?

The Speaker: The hon. Minister of Health.

Ms Hoffman: Thank you very much, Mr. Speaker and to the member for the important question. We know that aids to daily living is a vital support to Albertans, which is why we've increased their funding by \$3.6 million in Budget 2018, something that I was proud that members of this side of the House, members of the government, voted to support. There are a number of groups who may be eligible for hearing aid benefits: children under 18, postsecondary students, seniors over 65, and low-income adults between the ages of 18 and 65 as well.

The Speaker: First supplemental.

Mr. Coolahan: Thank you, Mr. Speaker. There has been a great deal of confusion surrounding AADL's eligibility criteria for supports for Albertans with hearing loss. Can you please clarify how this applies to adults between the ages of 18 and 24 and how these policies are being communicated to the public?

Ms Hoffman: Thank you very much to the member for his advocacy on this issue and certainly for helping to share these messages. Adults between the ages of 18 and 24 who are enrolled in postsecondary or whose income is below a certain threshold qualify for AADL benefits if they don't already have access to other benefit plans. There is also a cost-share component which can be waived for low-income Albertans. Certainly, we are updating this information at every opportunity we get a chance to, but when other MLAs help spread the word, that's helpful, too.

The Speaker: Second supplemental.

Mr. Coolahan: Thank you, Mr. Speaker. To the Minister of Health again: given that AADL is a cost-share program and given that the current eligibility criteria for hearing aids excludes most Albertans aged 18 to 64, what is your ministry doing to provide other supports for those with hearing loss?

The Speaker: The hon. minister.

Ms Hoffman: Thank you. Making sure that people have the supports they need to lead healthy, dignified lives is a priority for our government, and we know it's a priority for Albertans who are in need. That's why we've increased funding for diagnostic care with allied health services. We will always protect the health care system. Unlike the opposition, who's lobbying for deep cuts that we know would lead to front-line layoffs and reduction of services, Mr. Speaker, this government, Alberta's NDP government, is fighting every day to make health care even better for the people of this province.

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

Methane Reduction Strategies

Dr. Starke: Well, thank you, Mr. Speaker. Two weeks ago during estimates of Environment and Parks the deputy minister said this about the federal government's methane regulations: "If we left it to a bunch of pointy-headed, condo-dwelling, cappuccino-sucking Ottawa bureaucrats to come up with the methane rules, we're not going to like the results." Well, the federal regulations are out, and the deputy minister was right; we don't like the results. The federal minister has declared that their rules take precedence. What direction can our minister give to Alberta industry stakeholders who have been waiting months for clarity and are now faced with even more uncertainty?

The Speaker: The hon. Minister of Environment and Parks.

Ms Phillips: Well, thank you very much, Mr. Speaker. It is true that my deputy has a colourful way of expressing himself, but this is why the Alberta Energy Regulator has come out with their directive, which was a result of the Methane Reduction Oversight Committee, a multistakeholder group of Albertans who worked very, very hard on a difficult file, which is to achieve our methane reduction targets in a way that is less prescriptive and less costly to industry. We have published that directive. We published it ahead of the federal government, and it will be that directive that guides our work in our methane reduction strategies.

Dr. Starke: Well, Mr. Speaker, given that we are shaping up for yet another battle with Ottawa over these methane regulations, which are critically important both to our industry and to our efforts to make meaningful and measurable steps to limit greenhouse gas emissions, and given that Alberta and Ottawa's draft regulations are both coincidentally 124 pages long, but that's where the similarity ends, to the minister: could you provide Albertans with a concise summary of the key differences between the two sets of methane regulations?

The Speaker: The hon. minister.

Ms Phillips: Well, thank you very much, Mr. Speaker. I'll be pleased to follow up with the member because I do not think I can give a concise summary in 35 seconds. What I can say is that our regulation came about as a result of a multistakeholder process that involved a number of Albertans, Alberta companies, indigenous people, and others. It is less prescriptive than the federal regulation. It intends to get to the reduction target but in a way that is less costly for industry, and that was the way that we chose as the government because we understand that the industry wants to do the right thing but they want to do it in the most cost-effective way possible.

The Speaker: Thank you.

Dr. Starke: Well, Mr. Speaker, given that the federal regs developed by the aforementioned "pointy-headed, condo-dwelling, cappuccino-sucking Ottawa bureaucrats" have been endorsed by industry critics such as Environmental Defence and the David Suzuki Foundation and given that they are urging the federal government to supersede the made-in-Alberta methane regulations that were developed with Alberta stakeholders and given that this is yet another example of how the self-flagellation of our economy by the NDP carbon tax has failed to win over the vocal critics of our industry, to the minister: what specific measures are you taking now to ensure that our methane regulations will in fact take precedence in Alberta?

The Speaker: The hon. minister.

Ms Phillips: Well, thank you very much, Mr. Speaker. The action that we are taking is that the Alberta Energy Regulator has published their directive, and we will move forward on that basis. Some more action that we are taking, for example, is ensuring that we have clean tech funds available to companies who want to reduce their methane. We've published the methane reduction offset protocol, and we've got more funds to come for measuring and reporting for small firms. We're going to get this job done. We don't need the federal government to tell us how to do it. We'll have a made-in-Alberta plan.

Thank you.

The Speaker: The Leader of the Official Opposition.

Oral Question Period Questions and Responses

Mr. Kenney: Thank you. Mr. Speaker, a few minutes ago I asked a series of completely nonpartisan questions about a very important issue about sexual harassment conducted by physicians. I complimented the Minister of Health for her answer. I offered to co-operate with her. Her response was a highly partisan and personal attack. My question for the Premier is: does she think that is appropriate, and are her ministers encouraged to respond to nonpartisan, substantive policy questions with partisan and personal attacks?

The Speaker: The Deputy Premier.

Ms Hoffman: Thank you. I am very proud of the work that our government is doing to stand up for women, ensuring that when they go to a doctor's appointment they can do so safely, without bullying, harassment, or intimidation. Whether that's outside the office or inside the office, Mr. Speaker, it doesn't matter. Women in Alberta deserve to access health care safely. This side of the House is making that a priority. We certainly welcome the opposition to join us in that should they choose to, but I won't apologize for standing up for women. I will do it every day, and I will do my job and expect others to do theirs as well. [interjections]

The Speaker: Order, please. Order.

2:10

Mr. Kenney: The original question was about sexual harassment of women by physicians, this last question was about decorum and civility in this place, and what we're getting, Mr. Speaker, are yet more and increasingly loud partisan attacks. I'd like to ask any minister from the government, perhaps the House leader: is the NDP government committed as a general goal to respect for decorum and civility in this Assembly?

Mr. Mason: Absolutely, Mr. Speaker. You know, I've been here since, well, long before the election, but since this opposition was elected, and the kind of attacks that I've seen from them, particularly on our women ministers, are all a matter of record. They've been put on the record a number of times. Now the new tactic of the new leader is to turn the little rascals into little angels and say: mom, mom, look at what they're doing over there. Quite frankly, it's a ploy, it's artificial, it's disingenuous, and it's not going to work.

Mr. Kenney: So for the record, Mr. Speaker, it's the view of the NDP government that decorum and civility in the Assembly is a ploy that they will not fall for? Is that the standard which they think Albertans expect of members of the Legislature on either side? Is the government willing to work with us, perhaps on revisions to the standing orders, to reduce the unnecessary noise in this place and to increase the mutual respect and civility of this as a democratic Chamber rather than a ping-pong match of insults and partisan attacks?

Mr. Mason: Thank you very much, Mr. Speaker. It's very clear that the civility and the decorum in this House are of great importance to all sides. But in terms of the partisan attacks that the member is crying crocodile tears over at the moment, one only has to look to the Twitter feed, the social media activities of that opposition leader to realize the full extent of nasty, partisan political attacks.

The Speaker: Calgary-Fish Creek.

Carbon Levy Economic Impact

Mr. Gotfried: Thank you, Mr. Speaker. Not only is the carbon tax not making life better for Albertans, it is also making it more expensive for them to stay healthy and active by heaping significant costs on facilities like rec centres, arenas, and pools. These facilities are squeezed between reasonable recovery of the carbon tax and their commitment to the families they serve, themselves burdened by this punitive, all pain, no gain tax. To the minister of the environment: why burden these volunteer-managed, nonprofit facilities which contribute so much to the health and vibrancy of communities across Alberta?

The Speaker: The hon. Minister of Environment and Parks.

Ms Phillips: Well, thank you, Mr. Speaker. We have of course been investing in community-level infrastructure and in municipalities across the province with the largest capital investment in Alberta's history to build this province, to pull us out of the recession, and part of that was investing in a number of our community facilities. In addition to that, a few weeks ago the Minister of Municipal Affairs announced \$54 million for investments in arenas and pools and curling rinks and other community infrastructure, among some other projects, in order that folks can get in there and do those retrofits, put tradespeople to work, and . . .

The Speaker: Thank you, hon. member.

Mr. Gotfried: Mr. Speaker, given that many Albertans are enriched by attending places of worship for the faith community of their choice and given that these faith communities compassionately give their time and money each and every day in support of struggling Albertans and given that the NDP's carbon tax cash grab and free light bulbs appear to be more important than meaningful, front-line contributions to making life better for Albertans, again to the minister: will you do the right thing in benefit of charities, nonprofits, and all Albertans and scrap the carbon tax?

The Speaker: The hon. minister.

Ms Phillips: Well, thank you, Mr. Speaker. Let's talk about the faith community. Let's talk about the meeting I had with the Catholic Oblates on the subject of climate change and the Pope's encyclical. Let's talk about the faith round-table I had just down the road from the hon. member's riding in Calgary. Let's talk about McKillop United church in Lethbridge, that has made those investments in retrofits into their own church. The faith community understands our responsibility to one another and to future generations.

Mr. Gotfried: Mr. Speaker, given that small businesses in Calgary-Fish Creek continually bring up the carbon tax as a hindrance to hiring new staff, expanding operations, or in some cases their ability to just break even and given that even before the most recent hike the Calgary Chamber found that 73 per cent of businesses reported that their costs will increase due to the carbon tax, again to the minister: how can you say that you are making life better for Albertans when you keep making it harder and harder for locally owned and operated small businesses to make a humble living or to even simply survive your job-killing policies?

Ms Jansen: You know, Mr. Speaker, no matter how many times you repeat it, it doesn't make it a fact. If you want to talk about small-business confidence in Alberta – and I'm assuming that's where he wanted to go with this – the BDC says that small-business confidence is up: 35 per cent of small businesses are looking to hire

more staff in this province; 73 per cent say they will invest in their business in 2018. That speaks to me of a confidence in small business in Alberta. You're welcome.

The Speaker: If I could maybe just get some advice from the opposition with respect to the negotiated schedule. Was the intention that we would go to the list that I was provided with? Could you help clarify? Thank you.

University of Alberta Honorary Degree Awards

Mr. Gill: Thank you, Mr. Speaker. Most of the country is baffled that the Alberta NDP is defending the University of Alberta's decision to give an honorary degree to a man who compares our oil and gas industry to slavery. It is the utmost disrespect not only to hard-working Albertans in that industry but to all Albertans. So, Minister, why doesn't the government agree with us that this individual should not be receiving an honorary degree?

The Speaker: The hon. Minister of Advanced Education.

Mr. Schmidt: Thank you, Mr. Speaker, and thank you to the member for the question and for the opportunity to clarify my previous statements. I was clear every time that I've been asked on this matter that I don't agree with the University of Alberta's decision to award David Suzuki an honorary degree. I've also been quite clear that our government will defend the university's academic freedom in this and all cases and remind the member that this wasn't our decision to make in the first place. Our government, of course, has been focused on fighting for working Albertans by getting this pipeline built, something that the members opposite failed to do when they were in . . .

The Speaker: Thank you, hon. minister.
First supplemental.

Mr. Gill: Thank you, Mr. Speaker. Given that this Alberta NDP's caucus, members, cabinet ministers, including the Premier, have on the public record opposed our oil and gas industry and given that our oil and gas industry is one of the most ethically operated industries in the world, Minister, how can Albertans follow your answer and believe in your answer that you just gave me 10 seconds ago?

Mr. Schmidt: Let's talk about records for a minute, Mr. Speaker. On election night of the federal election in 2015, the member opposite was seen on TV saying: Trudeaumania, baby. So how can we believe anything that he says when it comes to credibility and anything that he says in support of what his party purports to believe in? Our government has been clear and consistent from day one that we intend to get this pipeline built to tidewater, and we will get it done.

The Speaker: Hon. members, I sensed at points in the last week that there were jovial emotions in the room. It seems, though, to be shifting a little bit, so I want to encourage the exchange about personal perspectives. We've seen some evidence of that today, but I know as hon. members you will all respect the principle that I'm addressing and will adjust accordingly.

I think we have a second supplemental.

Mr. Gill: Thank you, Mr. Speaker. Given that after enormous pressure from the Official Opposition we just rid ourselves of Tzeporah Berman and Karen Mahon, who, by the way, are now proudly protesting against the construction of the Kinder Morgan

pipeline, and given that this NDP government may have its eye on a new, like-minded adviser, maybe the minister can answer my question. Once Dr. Suzuki gets his honorary degree, will he become our oil sands adviser?

Mr. Schmidt: Mr. Speaker, you know, the Leader of the Official Opposition was just talking about decorum in this place. I think decorum includes asking reasonable questions about government policy and not creating tinfoil-hat conspiracy theories that are actually not worthy of answering or being asked in the first place in this House. So I ask the hon. members to actually act out what they purport to believe in, restore decorum to this House, and ask reasonable questions.

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

2:20 Teachers' Association Resolution on News Media

Mr. Smith: Thank you, Mr. Speaker. Yesterday I asked the minister about a resolution the Alberta Teachers' Association executive council has asked the ATA members to reaffirm. This resolution asks the Department of Education to instruct media on how they should be reporting results from a province-wide achievement test. Now, perhaps I caught the minister off guard, and he thought I was asking about something else, because his answers had nothing to do with my question. To the minister: if passed by their members, will you follow the ATA's directive and tell the Alberta media how they should be doing their jobs?

The Speaker: The hon. Minister of Education.

Mr. Eggen: Thank you, Mr. Speaker. Certainly, I heard the member's question loud and clear yesterday and said what I would say again here today. We are the government of Alberta here, and we make choices around how we govern and how we govern the Ministry of Education specifically. We use standardized testing, and we are building assessments in keeping with new curriculum. For both of those projects certainly we have lots of people with different opinions on how that might be achieved. I think the member opposite has an opinion on that, too. We take different things into consideration, but ultimately we take into consideration what is best for our children.

The Speaker: Thank you, hon. minister.
First supplemental.

Mr. Smith: Thank you, Mr. Speaker. Given that, as I stated yesterday, for Alberta parents to have full faith in our education system, they need to know beyond a shadow of a doubt that all major partners are fully committed to openness and transparency and given that this directive seems to fly in the face of this ideal by essentially asking the government to tell media how they should be reporting on external data, again to the minister: just for clarity and one day before World Press Freedom Day do you feel this resolution represents an appropriate ask of your government by the ATA?

Mr. Eggen: Well, you know, Mr. Speaker, obviously, we'd never tell the media how to do their job. They do a fine job here in the province of Alberta reporting on the news of the day. So I'm not exactly sure where the line of questioning is going here, but certainly what we do do is make sure that we invest in education properly. We make sure that we have the very best choices for our children, and we make sure that the public can see that and the

media reports on it, that they know that we have one of the best education systems in the country and, indeed, on the entire planet.

Mr. Smith: Mr. Speaker, given that parents across Alberta have the right to know how their school is performing compared to other schools and given that our caucus trusts parents to understand the complexity and the nuance involved in that aggregate data and given that I understand that the ATA is looking to protect teachers, again to the minister: do you side with parents and their right to access aggregate data as has been responsibly reported on for some time in Alberta, or do you side with the ATA in believing this information should be withheld?

The Speaker: Thank you, hon. member.
The Minister of Education.

Mr. Eggen: Well, thank you, Mr. Speaker. Again, you know, we are working hard to build strong assessment protocols. I've made lots of reforms in regard to assessment. We're making lots of new curriculum, which we are informing and working with the public to do so. So to try to somehow attach some arcane thing that one group happened to have said, nothing to do with what we do as a government, is probably a little bit misleading and certainly not focused on what we're doing, which is improving education, making those investments. If he's interested in that, maybe he could have voted for the Education budget last week. That would have been . . .

The Speaker: Hon. members, lest I forget, I would like an opportunity at some point to discuss with the government House leaders – I'm assuming that I adjust the sequence of speakers accordingly, I trust.

I think we are at Calgary-Northern Hills.

Emergency Management

Mr. Kleinsteuber: Well, thank you, Mr. Speaker. This spring will mark the second year since wildfires threatened the communities of Wood Buffalo, including indigenous communities and beyond, in 2016. My question is to the Minister of Municipal Affairs. Based on the trend over the last decade and assuming there will be more weather-related disruptive events in store for us, how will the newly amended Emergency Management Act address the lessons learned and the recommendations given based on previous disasters?

The Speaker: The hon. minister.

Mr. S. Anderson: Thank you, Mr. Speaker, and thank you to the member for the question. Many of these updates are in response to post-incident assessments from previous disasters because it's important that we learn from each event and we can improve to respond to the next one. Just as an example, the KPMG report after the Wood Buffalo fires recommended a review of this legislative framework, and that is what we are currently doing. The main update to this act, to this creation of this, is the local authority emergency management regulation, or LAEMR, which we are working on with the emergency management community right now. This regulation will ensure that all municipalities across the province have clear direction on emergency management practices so they are better prepared to respond to disasters and keep Albertans safe.

The Speaker: First supplemental.

Mr. Kleinsteuber: Thank you, Mr. Speaker. As we move into the spring and a possible emergency disaster response season across the

province, how are we better prepared to liaise with, co-ordinate with, and engage with valuable community partners in our emergency response to support Albertans?

The Speaker: The hon. minister.

Mr. S. Anderson: Thank you, Mr. Speaker, and thank you for the question. Field officers from the Alberta Emergency Management Agency and regional representatives of Alberta Environment and Parks have been on the ground in many communities across this province to provide advice and help during the recent floods. The government has also provided flood equipment and mitigation equipment to all communities that have requested support from the provincial stockpile, and these include pumps, hoses, temporary dams, sandbags, sandbagging machines, and generators. Alberta is a leader in emergency management because we understand the importance of preparation and mitigation, and we will continue to be a leader.

The Speaker: Second supplemental.

Mr. Kleinsteuber: Thank you, Mr. Speaker. To the same minister. Given that the summer months lead to drier conditions, wildfire preparedness becomes essential to ensure the safety of Albertans. How has the ministry implemented lessons learned from past wildfires to ensure potential concerns coming into the season are addressed?

The Speaker: The hon. minister.

Mr. S. Anderson: Thank you, Mr. Speaker, and thank you for the question. Along with Ag and Forestry the Alberta Emergency Management Agency is always monitoring the wildfire situation across Alberta. We routinely assess potential concerns and connect with public safety partners every single day. We work with communities year-round, advising them on their emergency management plans and understanding their risks, and fund programs such as FireSmart to help communities. We know you can never be too prepared for disasters, so ongoing training and teamwork is crucial and essential. Collaboration is key in Municipal Affairs, and we will continue to connect with communities around the province.

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

Suffield Elk Herd and Grazing Land

Mr. Strankman: Thank you, Mr. Speaker. The Suffield base fire near Bindloss saw almost 100,000 acres of grassland destroyed, putting even more pressure on the sensitive native grasslands to handle grazing for so many elk, so it's imperative now more than ever that definitive action be taken. To the environment minister: will your government have a concrete plan in place to deal with this out-of-control herd should these elk do extensive damage to surrounding ranchers' properties and crops?

The Speaker: The hon. minister.

Ms Phillips: Well, thank you very much, Mr. Speaker. The department does in fact already have a plan to reduce the size of the Suffield elk herd. As I understand it, the herd has been almost halved at this point in the last three or four years, and we will continue to take those management actions to ensure that that herd is compatible with the other uses for that land, including people's private property, fencing, and grazing dispositions.

The Speaker: First supplemental.

Mr. Strankman: Thank you again, Mr. Speaker. Given that the population of elk was never supposed to exceed 800 animals and given that Environment and Parks has no definitive publicly released wildlife management plan to deal with this problem, Minister, given the loss of foraging opportunities for this herd and the possibility of increased damage to the surrounding private lands, are you planning on increasing the number of tags or lengthening the hunting season to ensure this problem does not spiral out of control?

The Speaker: The hon. minister.

Ms Phillips: Well, thank you very much, Mr. Speaker. I'll be pleased to have department officials share the management plan for the Suffield elk with the hon. member. There is a considerable plan that is shared every year with stakeholders and affected municipalities, landowners, grazing lease holders, and others. Having said that, the wildlife regulations, the hunting regulations are reviewed every year, and we are looking at exactly those kinds of tools that the hon. member raises with respect to landowner tags, hunting seasons, and so on.

2:30

The Speaker: Second supplemental.

Mr. Strankman: Thank you, Mr. Speaker. Given that the environment minister has acknowledged that farmers and ranchers are responsible stewards of the land and given that the loss of grazing pastures due to a fire was caused by others' negligence and given that the loss of grazing land could cause unforeseen hardships for area farmers and ranchers, to the Minister of Municipal Affairs: are there any plans to allow grazing access to other Crown lands or provide some sort of program until such time as the burnt-up grasslands have recovered enough to sustain normal grazing?

The Speaker: The hon. Minister of Environment and Parks.

Ms Phillips: Well, thank you very much, Mr. Speaker. We will take the hon. member's suggestions under advisement. Grazing lease policies and dispositions and so on are administered by the Department of Environment and Parks, and we would be pleased to engage with the landowners that have been affected, if they are in fact his constituents, and get him some answers on that matter. In the main the hon. member is right that we have acknowledged that grazing lease holders are an important part of environmental sustainability for the entire province.

The Speaker: The hon. Member for Lac La Biche-St. Paul-Two Hills.

East Central Francophone School Principal

Mr. Hanson: Thank you very much, Mr. Speaker. Minister of Education, it has now been over 40 days that l'école du Sommet students and parents have been waiting for answers regarding the suspension/dismissal of their principal. The lack of information from your office only feeds the speculation and rumours and drives a wedge between the parents and their elected board. I have asked you previously to speak to these frustrated parents. Minister, do you have any information on the status of this situation?

The Speaker: The hon. Minister of Education.

Mr. Eggen: Well, thank you, Mr. Speaker, and thank you very much for the question. Certainly, we take this matter very seriously

and are monitoring the situation very closely. It's my understanding that the east central francophone board did send a letter to all parents at the beginning of last month to provide some information around the principal's absence. The same school board has engaged and has conducted a very thorough investigation in regard to the circumstances around the suspension. That's the status of the circumstances right now, and as you can imagine . . .

The Speaker: Thank you, hon. minister.
First supplemental.

Mr. Hanson: Thank you, Mr. Speaker. Given that there are less than two months left in the school year and parents and students are worried about falling grades due to the high stress levels in the school and given that parents are also concerned that students may have been taken off school property to be interviewed without parental consent, Minister, do you feel that this is a safe and nurturing environment for these students, and can you confirm or deny the parents' concerns that students have been taken off school property without consent, and did your department authorize this?

The Speaker: The hon. minister.

Mr. Eggen: Well, thank you, Mr. Speaker. Certainly, it's very important to respect the process and the due procedure around the school board and its investigation in this particular matter. As I said, I know that they did and have been conducting an investigation around this particular HR matter, and I think that that process has been moving expeditiously considering the difficult circumstances. I recognize that it's caused a great deal of consternation. I am very concerned about that, and certainly we hope to see a conclusion to this situation.

The Speaker: Thank you, hon. minister.
Second supplemental.

Mr. Hanson: Thank you very much, Mr. Speaker. Well, given that parents have expressed their extreme frustration to your department and have in most cases not even received a reply, e-mail, or phone call, let alone any information regarding their concerns, Minister, are you aware that parents and students will be holding a demonstration at the francophone school board office in St. Paul tomorrow at 11:20? More importantly, why did it have to get to this stage, and when will you speak to these parents directly?

The Speaker: The hon. Minister of Education.

Mr. Eggen: Yes. Well, thank you, Mr. Speaker. Certainly, it's very important in regard to a very sensitive HR matter that you follow procedure. This is the procedure that follows through the locally elected school boards, and they are the ones that are conducting the investigation. It's not Alberta Education, and that is the protocol and the procedure by which you proceed in these issues. I know that it's caused a great deal of consternation and problems in the community and at the school specifically, to which I am very sympathetic, and I hope for an expeditious resolution to the circumstance as soon as possible.

The Speaker: Thank you.

Government Procurement Process

Mr. W. Anderson: Mr. Speaker, it's absolutely critical that vendors accurately and clearly respond to RFP questions, no misrepresentations as to facts, capabilities, and resources. It's also critical that the procuring authority conduct due diligence of

proponent submissions to ensure that what is being represented is accurate. If it's determined during such due diligence or at a later date that there was misrepresentation that was material, the procuring authority must have and exercise the right to disqualify the proponent. My first question is to the Minister of Service Alberta. Could she generally explain within the context of her ministry's procurement policies whether material misrepresentations by vendors are addressed?

The Speaker: The hon. Minister of Service Alberta.

Ms McLean: Thank you for the question, Mr. Speaker. Absolutely, our procurement policy is very robust. We have the best advice from our legal counsel throughout government, whether the procurement is being done within goods and services, within Service Alberta, or whether it's procurement that's being done within another department or the Department of Infrastructure. I'm happy to assure the member and get him additional information if he would like.

The Speaker: First supplemental.

Mr. W. Anderson: Thank you, Mr. Speaker. My second question again is to the Minister of Service Alberta. Given that I recognize there may be exceptions, would a proponent that made a material misrepresentation that offended the RFP provisions be disqualified?

The Speaker: The hon. minister.

Ms McLean: Thank you for the question, Mr. Speaker. Again, it would be situation to situation. The facts of a particular situation of procurement would need, obviously, to be reviewed to determine whether or not there had been material misrepresentation, at which point we would seek legal advice from our department. Wherever there is something that happens in a procurement where there are grounds for disqualification, then disqualification would occur.

The Speaker: Second supplemental.

Mr. W. Anderson: Thank you, Mr. Speaker. My third question is to the Minister of Health. If she was aware that Alberta Health Services had accepted a bid which included material representation that offended the RFP provisions, would she direct that bid to be disqualified, and if not, why not?

The Speaker: The Minister of Health.

Ms Hoffman: Thank you very much for the opportunity to answer a health question, Mr. Speaker. Certainly, I welcome the member to bring forward any particular concerns that he might have. I understand that he might be speaking to a case that's under a review process right now. If that's the case, certainly the review is under way, and that's the proper manner for these to be taken forward. We have every expectation that every dollar that's invested by the province of Alberta, whether directly or indirectly, is done so in a respectful and appropriate manner.

Spring Flooding

Mr. Schneider: Mr. Speaker, yesterday I asked a series of reasonable questions about flooding in the Little Bow riding and, frankly, I'm afraid I'm going to need some clarification for my constituents. Now, yesterday the Minister of Indigenous Affairs somewhat glossed over answering my question in order to take a shot at the previous government. Siksika Nation has suffered flooding this spring but suffered severe flooding in 2013. Minister,

I ask this reasonable question again. Have you advocated for the \$4.5 million outlay by the Siksika Nation for the 2013 flood to be reimbursed by the federal government?

The Speaker: The hon. Minister of Indigenous Relations.

Mr. Feehan: Thank you, Mr. Speaker, and thank you very much for the question. I know that we have been working very closely with the Siksika Nation to deal with the flooding issues, initially, of course, the flooding issues arising from the 2013 flood. We of course have agreed with them to allow them to be the general managers of the build on their community and have supported them completely in fulfilling that process. As they fulfill that process, funds are reimbursed by the federal government, which we support in any way that we possibly can.

The Speaker: First supplemental.

Mr. Schneider: Thank you, Mr. Speaker. Given that spring flooding is occurring throughout the province, not just in my riding, and given that these municipalities have already begun cleaning up and rebuilding important infrastructure, Minister of Municipal Affairs, what they want to know is whether their government is going to take this situation as seriously as it is out there and make their intentions known as to whether emergency funding will be forthcoming and when they can expect this news?

The Speaker: The hon. Minister of Municipal Affairs.

Mr. S. Anderson: Thank you very much, Mr. Speaker, and thank you to the member for the question. I've said in this House before that we've had people on the ground out there, our emergency management folks, Environment and Parks, helping and assisting not only with advice but supplies as well from the provincial stockpile. I was in Calgary yesterday and made an announcement about more funding. We will bring forward \$10 million to assist some of these municipalities, and we will be communicating with them and seeing where the highest priority is and go from there.

Mr. Schneider: Mr. Speaker, what has happened in Alberta has been somewhat devastating. Given that communities have called for a local state of emergency because of an event that they have little control over and given that several communities took expensive proactive actions to mitigate flood damage in their communities and given that when disaster strikes, these communities need to be confident that their government will be there for them, Minister, how many communities to date have declared local emergencies due to flooding this spring, and when can they expect to see meaningful programs for help?

2:40

The Speaker: The hon. Minister of Municipal Affairs.

Mr. S. Anderson: Thank you very much, Mr. Speaker, and thank you to the member for the question. I know my phone and my e-mail and my alert app have been going pretty busy the last couple of weeks with all these states of emergency. They change daily, so I don't want to give you a number right now because I might be off by a couple. Some of the supports, as I said yesterday, the \$10 million we brought forward are for mitigation and proactive stockpile and things like that and also looking at how we can reimburse, how that's going to look. We are going to communicate with the municipalities. Then we do have the disaster relief program, which is something that happens after the events have happened . . .

The Speaker: Thank you, hon. minister.

Orders of the Day
Government Bills and Orders
Second Reading

Bill 12
Preserving Canada's Economic Prosperity Act

The Speaker: I recognize the Member for Calgary-Klein.

Mr. Coolahan: Yes. Thank you, Mr. Speaker. On behalf of my colleague the Minister of Energy I ask leave to move second reading of Bill 12, Preserving Canada's Economic Prosperity Act.

I will speak to the details of Bill 12 shortly. First, however, I would like to state how frustrating it is to have to table this bill at all. Alberta has been playing by the rules. This is not an action that anyone wants to take, and we do not take it lightly. This frustration is made ever more intense by the B.C. government's blatant hypocrisy, as it was recently announced that approval has been given to construct a new 13-kilometre underground pipeline to Vancouver International Airport that would supply aviation fuel from an upgraded marine terminal and adjacent fuel storage facility on the south arm of the Fraser River. In other words, when a project falls under their own jurisdiction, they seem to allow it. When it doesn't, as is the case with Trans Mountain, they oppose it.

The bottom line, Mr. Speaker: the B.C. government cannot continue to delay the Trans Mountain pipeline project without economic consequences. The B.C. government cannot continue to impact Alberta's economic recovery, and the B.C. government cannot continue to keep Albertans from jobs, jobs in construction and extraction, jobs in engineering and accounting, jobs for the people of Alberta and in my constituency in Calgary-Klein and – you know where else? – jobs in British Columbia. Recent polls show that the majority of British Columbians support the building of the Trans Mountain pipeline.

Through this bill we are standing up for Alberta and for a healthy Canadian energy sector, including the working women and men it employs. We're all aware of roadblocks that have resulted in delays to the Trans Mountain pipeline expansion, and we all know, too, why this project is essential to Canada's energy sector, but it does bear repeating. Historically the biggest customer for Alberta oil and gas has been the United States, but in recent years that has shifted dramatically. Today the United States is our biggest competitor. Because there is one buyer, the oil and gas resources that belong to all Albertans are being sold at a discounted price. This is not a responsible approach. As Albertans we deserve to get the best price for our resources.

That is why we need access to new markets. That is why our government supports the Trans Mountain pipeline expansion. We believe that Albertans deserve to get better value for the resources that we all own. This pipeline will help us do that. And it won't just benefit Alberta. As I said, Alberta's natural resources are owned by Alberta, but the truth is that the benefits derived from these resources are shared across the country. After all, Mr. Speaker, when Alberta works, Canada works. As such, pipeline capacity is of the utmost importance to everyone across our country. Without the market access created through the Trans Mountain pipeline expansion, the Canadian economy is losing \$40 million in revenue every day. Citizens from every part of our country will benefit from this project. It will generate revenues to support the services that Albertans and Canadian families need: schools, hospitals, roads, and transit.

Those revenues will also protect the funding that is aiding our transition to a greener economy. I think it's important to remind people of that, Mr. Speaker, since I know that there are people who believe that opposing the Trans Mountain pipeline means protecting the environment, but I ask them to consider the following. There is no meaningful progress on addressing climate change in Canada without Alberta's participation. Moreover, our Premier has stated that a climate change plan that leaves working people behind is not a viable plan, but through the made-in-Alberta climate leadership plan we are demonstrating how good jobs that support working families and environmental protection can and do go hand in hand. It's a plan that caps oil sand emissions, cuts methane emissions nearly in half, puts a price on carbon, and phases out coal-fired electricity while investing in renewables. It's also a plan that directly resulted in federal approval of new pipelines like the Trans Mountain expansion.

Mr. Speaker, it's worth noting that as Canadians learn more about Alberta's energy sector and about the work that has been done to make the industry more environmentally sustainable, support for the Trans Mountain pipeline is rising. Today a majority of Canadians, including 55 per cent of British Columbians, according to a recent poll, support Trans Mountain. That's in large part thanks to the hard work of our Premier and others in our government, who have been travelling across the country telling Alberta's story.

Unfortunately, the government of British Columbia still insists upon putting up roadblocks, which brings us to the need for Bill 12. Through the passing of Bill 12 we would ensure that the interests of Albertans are optimized before authorizing the export of natural gas, crude oil, or refined fuels from Alberta. This legislation would give the government authority to, if necessary, require any company exporting energy products from Alberta to acquire a licence.

At this point I'll go into a few specifics about what the legislation contains, starting with the licensing requirement. First, to be clear, companies would not be automatically required to apply for an export licence. They would only be required to do so if the Minister of Energy deems it necessary, and as per section 2(3) of the legislation the first step in this process is for the minister to determine whether requiring export licences is in the public interest. Criteria for this decision include establishing

- (a) whether adequate pipeline capacity exists to maximize the return on crude oil and diluted bitumen produced in Alberta,
- (b) whether adequate supplies and reserves of natural gas, crude oil and refined fuels will be available for Alberta's present and future needs.

Should the minister determine that such a decision would be in the interest of Albertans, she may then establish the terms and conditions of such a licence. These are outlined in section 4(2) of the legislation. The minister may deem any terms and conditions she deems appropriate. These conditions may include but would not be limited to

- (a) the point at which the licensee may export from Alberta any quantity of natural gas, crude oil or refined fuels;
- (b) the method by which [these resources] may be exported from Alberta;
- (c) the maximum quantities . . . that may be exported from Alberta during the interval or intervals set out in the licence;
- (d) the maximum daily quantities of natural gas, crude oil or refined fuels that may be exported from Alberta;
- (e) the conditions under which the export . . . of [these resources] may be diverted, reduced or interrupted;
- (f) the period for which the licence is operative.

In addition, the minister may impose different terms and conditions upon licensees for different types of refined fuels.

The Preserving Canada's Economic Prosperity Act also outlines the steps that would be taken if anyone fails to comply with the

requirements of this act, any future regulations, or the terms or conditions of a licence. Companies could face fines of up to \$10 million a day for as long as the offence continues, and individuals could face fines of up to \$1 million a day. These details are included in section 7(2) of the legislation.

Along the same lines, the minister, as per section 8, “may make an order directing an operator to cease transporting natural gas, crude oil or refined fuels.” These operators include the holder of a pipeline licence under the Pipeline Act, the operator of a railway under the Railway (Alberta) Act, or the registered owner of a commercial vehicle under the Traffic Safety Act. Understandably, there will be specific questions about this legislation and how it will be implemented. Many of these answers will come through future regulations.

2:50

For example, if a company is ordered to acquire a licence for the export of applicable resources, details about the application process can be established via regulation. Potential future regulations may address but would not be limited to specifying other applicable fuels, applications for a licence or an amendment or renewal of a licence, fees for a licence or licence renewal, the terms or conditions to which licences are subject, and the method used for the measurement of natural gas, crude, or refined fuels.

The Preserving Canada’s Economic Prosperity Act would ensure that government has the tools in its tool belt that we need to protect the best interests of Albertans, including receiving the maximum value for our province’s natural energy resources and protecting the jobs and livelihoods of thousands of Albertans and Canadians. As I’ve stated, decisions about how best to utilize those tools have not been made.

Again, no companies would automatically be required through Bill 12 to acquire a licence to export natural gas, crude oil, or refined fuels. They would only be required to do so if ordered by the Minister of Energy. This legislation is about giving the minister more tools to get the pipeline built. Now, Mr. Speaker, I want to emphasize that the powers in this legislation should not be taken lightly.

Our government pledged to industry from day one that there would be no surprises, and we’ve been true to our word on that. If we use this legislation, again, there will be no surprises. We will be fair, we will thoughtful, and we will be strategic. Let’s be clear here. This isn’t a step we want to take, but we will if it means long-term benefits for our industry, for our province, and for Canada.

We know we’re on the right side of this issue, Mr. Speaker, and that’s not just here in Alberta. That’s what people across the country think. As I said earlier, national polling shows that two-thirds of Canadians support construction of this pipeline. That’s an increase of 10 per cent support since February, so it’s clear that the work of this government and our Premier is winning Canadians over. We will win. We will get this pipeline built, and we’re asking every member of this Assembly to stand with us united to get the result we all want and that this country needs, a strong and stable energy industry for years to come. Together let’s get this job done.

Thank you, Mr. Speaker.

The Speaker: The Member for Calgary-Foothills.

Mr. Panda: Thank you, Mr. Speaker. I rise to speak to Bill 12, Preserving Canada’s Economic Prosperity Act. I would like to thank the hon. Minister of Energy for bringing this bill forward. The Leader of the Official Opposition and the MLA for Calgary-Lougheed has only been talking about this for seven months and

counting. Extraordinary times call for extraordinary measures, and Bill 12 has extraordinary measures.

Our fight is not against the hard-working people of British Columbia, but it’s a fight against NDP mayors and the NDP Premier and the NDP federal leader, Jagmeet Singh, and the NDP’s fellow-travellers like Tzeporah Berman, Karen Mahon, Greenpeace, the Tides Foundation, and their sugar daddies in the United States of America. It is unconscionable that a province would thumb its nose at the federal government and its neighbours over a matter which is exclusively federal jurisdiction. The federal government and the National Energy Board have approved this Trans Mountain pipeline expansion after a federal review. Mr. Speaker, the B.C. NDP is trying to pretend that they’re trying to save their coast. It’s not their coast; it is Canada’s coast.

British Columbia’s delay tactics, by taking the Kinder Morgan Trans Mountain pipeline expansion to the courts, not only affect this pipeline investment but also affect investment in all areas of the economy. As you know, Mr. Speaker, capital is liquid, capital is global, and capital flows to the areas of least resistance. With that, it takes the talent also. The capital will take the talent away, so then that will result in a brain drain in Alberta and Canada.

Mr. Speaker, Bill 12 is a loaded economic weapon. Make no mistake. If the NDP government aims Bill 12 at British Columbia and pulls the trigger, there will be consequences. As we said, we support this bill, we asked for it, but at the same time, as the critic for Energy it’s my job to talk about some of these consequences and some of the risks and how we mitigate those risks. It’s up to the NDP governments of both Alberta and British Columbia to mitigate those risks and do it in such a way that it doesn’t hurt their residents.

With the refineries down for maintenance in Edmonton we know what higher prices for gasoline and diesel look like. As supplies decline, the price increases, over \$1.60 per litre in the Lower Mainland of British Columbia. What would those prices look like if the supply through the Kinder Morgan pipeline were halted? One cannot snap their fingers and have tankers from Washington state or California show up on a moment’s notice to save British Columbia with cheap petroleum again. Is British Columbia prepared for \$2 or \$3 for a litre of gasoline? We’ll see.

Mr. Speaker, the United Conservative Party Official Opposition is prepared to help the NDP government. We’ll help you load this economic weapon by supporting Bill 12. But will the NDP government pull the trigger? Mr. Speaker, Albertans know how we got here. This Premier was radio silent when Energy East was killed, when Northern Gateway was killed, and when Keystone XL was vetoed by Obama. This Premier didn’t say one word. A couple of days ago, when the hon. opposition leader asked if she actually discussed it with the Prime Minister, she, I think reluctantly or by mistake, admitted that she chose one of the two projects to the west coast, which means that she was not in favour of Northern Gateway. Probably she told her good friend Justin Trudeau to kill that project. That’s why we’re asking the NDP: are you prepared to handle the consequences of using Bill 12 to penalize the government of British Columbia for its intransigence?

News reports say that the Alberta NDP is not going to act on Bill 12. News reports say that our Premier told B.C. Premier John Horgan and Saskatchewan Premier Scott Moe that she wasn’t going to act on Bill 12. If it is a fact, it’s a shame.

Industry is very skittish about Bill 12. If petroleum products are halted in provincial pipelines from accessing the Trans Mountain pipeline, industry will definitely demand compensation. Are you ready for that? Nonetheless, there is support for Bill 12 among the industry. I spoke to many of my stakeholders, and they said that they’re in support of this. The Explorers and Producers Association of Canada and the Petroleum Services Association of Canada are

supportive of Bill 12 to help resolve the impasse over the Kinder Morgan Trans Mountain pipeline expansion.

If Bill 12 is used to stop petroleum access into British Columbia, Washington state may become an injured bystander. Although the government of Washington state was there to oppose the Trans Mountain pipeline together with his bestie John Horgan, he knows that the state of Washington will also face the collateral damage. Thirty-five per cent of the petroleum going to the five refineries in Washington state comes through the existing Trans Mountain pipeline. With Alaska's petroleum exports in decline, Alberta's exports to the west coast's PADD 5 are more important than ever.

3:00

Cutting off the flow of petroleum to an American state triggers NAFTA, Mr. Speaker. Experience has shown that when provinces cause NAFTA disputes, it's Ottawa who has to pay the bill, not Alberta, not the provinces. We are to make sure that the federal government pays that. Just look at Danny Williams in Newfoundland. He moved to penalize AbitibiBowater by expropriating a hydro dam and water rights. He accidentally expropriated the pulp mill, triggering NAFTA and forcing Ottawa to pay hundreds of millions in compensation.

What a poetic justice it would be, Mr. Speaker, if the federal government, who refuses to invoke section 92(10)(c) of the Constitution Act, 1867, to push the pipeline through, is instead slapped upside the face with a NAFTA challenge worth hundreds of millions of dollars. That might be the best use for the \$20 billion that Alberta sends to Ottawa each year and never gets back.

Section 92(10)(c) reads:

Such Works as, although wholly situate within the Province, are before or after their Execution declared by the Parliament of Canada to be for the general Advantage of Canada or for the Advantage of Two or more of the Provinces.

There you have it, Mr. Speaker. Ottawa could avoid a lot of problems by invoking this clause, 92(10)(c).

But they chose not to. Why? Because the Prime Minister, Justin Trudeau, is on record calling for the phase-out of the oil sands. Trudeau's principal secretary, Gerald Butts, is a true believer in all this shut down the oil sands business. He's even hiring former employees of the Tides Foundation, the radical environmentalists who are funding the protesters in British Columbia.

Saskatchewan is incensed with British Columbia, too. They have brought in their own version of Bill 12. They call it Bill 126, An Act Respecting Energy Exports.

We live in a federation. We do so in a bargain called the Constitution Act, 1867. The division of powers is outlined in sections 91 and 92 of the Constitution. British Columbia did not join Canada until 1871. B.C.'s main demand to join the country was the construction of a wagon road across the mountains to connect the province to the east. Ottawa went one better and promised a railway, the Canadian Pacific Railway. Then they say the rest is history, Mr. Speaker.

Thank you so much.

The Speaker: The Leader of the Official Opposition.

Mr. Kenney: Thank you very much, Mr. Speaker. I am pleased to rise in debate on Bill 12, the Preserving Canada's Economic Prosperity Act, on behalf of Her Majesty's Loyal Opposition. I am delighted that the government has come forward with this legislation given that I've been calling for the measures included within it since last July. I did so because last July the New Democrat Party came to office in British Columbia with the support of the Green Party on a commitment, signed in their coalition government agreement, to, quote, use every tool in the tool box to prevent the

construction of the proposed Kinder Morgan Trans Mountain pipeline expansion project. The very existence of the current NDP government in Victoria is dependent on using every tool in the tool kit to prevent the construction of this pipeline.

I took the position that Alberta needed a fight-back strategy, that we needed to demonstrate that if the government of British Columbia were to prevent or delay or create uncertainty around the construction of Kinder Morgan, there would be very serious consequences. As I said at the time, if British Columbia's NDP government starts a trade war, Alberta must end it, and the NDP government in B.C. must understand that there will be very serious consequences should they proceed with their threatened blockage of this essential national infrastructure project.

Over the course of last summer, Mr. Speaker, I articulated in speeches, interviews, and opinion articles elements of what would constitute a fight-back strategy. First of all, I suggested that we begin with persuasion and diplomacy and, if such measures were not effective, that we should find high-profile but symbolic ways to demonstrate our resolve on the construction of this pipeline, including, I suggested, funnily enough, a boycott of B.C. wines.

Then I went on to suggest that perhaps we should find a way to conduct periodic safety inspections of B.C. goods being exported through Alberta to the rest of the country, based on the premise that if they would not allow Alberta to export its major product through west coast ports, we should protect our own environmental interests in the shipment of goods and services from British Columbia to the rest of the country. Indeed, I think that the Member for Grande Prairie-Wapiti has offered to be our chief customs inspector, at least up there in the Peace Country.

Mr. Speaker, I then went on to suggest that if British Columbia's NDP were to violate the Constitution by seeking to impede the construction of a federally approved infrastructure project, this pipeline – I asked: why would we allow British Columbia producers to ship their natural gas through pipelines in Alberta to U.S. markets toll-free? I suggested that perhaps a toll ought to be applied to those British Columbia natural gas exports that come through Alberta.

Finally, I suggested as early as last August that as an ultimate consequence we should consider replicating what Peter Lougheed did in 1980 in adopting legislation and regulations that allowed his government to constrain the shipment of Alberta crude to central Canada to protest the outrageous national energy program of Prime Minister Pierre Trudeau.

[Ms Sweet in the chair]

Madam Speaker, in fact, I can quote myself. On September 20, 2017, at a United Conservative Party leadership forum I said the following:

If the B.C. government, through dilatory measures, stands in the way of the construction of the approved expansion of Kinder Morgan Trans Mountain, then there will be consequences. We need a premier who will make that clear to B.C. and Ottawa, like Peter Lougheed did in the early 1980s. The Mayor of Vancouver says he wants a carbon free economy by 2040. Maybe we should help give him a carbon free Vancouver by 2020.

I said further, for example, on October 27 on CBC national television:

If the B.C. government makes good on its threats to use dilatory means to block the construction of that approved pipeline, and in doing so violate the rule of law in Canada's economic union, I would make it clear that there would be consequences that we would consider [what Peter Lougheed did in the early 1980s by withholding permits for] the shipment of gas to Sarnia to bring the federal government to the table on the National Energy Program. We might have to consider a similar approach if the

B.C. government stands in the way of this wealth and job creating national infrastructure project.

Those are things I said last year, Madam Speaker.

Unfortunately, at the time our Premier mocked and ridiculed these ideas. She characterized these proposals, particularly the one for turning off the taps, as myself having a, quote, temper tantrum. She said that no pipeline will get built as a result of such a temper tantrum. She said that I was trying to build walls around Alberta, and at one point she said that I was imitating Donald Trump in seeking to build a wall around Alberta and make British Columbia pay for it for suggesting these ideas. So imagine my surprise, imagine my delight, the joyful serendipity of discovering the Premier standing up in late January of this year saying almost word for word what I have been saying since last July that she had mocked.

3:10

That's fine. There's no patent on a good idea, Madam Speaker. Anybody is welcome to borrow a good idea. That's what I always think. You know, the great former president Ronald Reagan, the man who won the Cold War, reignited the American economy, restored hope and pride to his nation, had on his desk in the Oval Office a plaque that said: anything can get done if you don't care who gets the credit. So in the spirit of the great Ronald Reagan let me say that I give full credit to the hon. the Premier for these brilliant ideas about a fight-back strategy. I claim none of the credit myself. In fact, I will even engage in the wilful ignorance of my New Democrat friends opposite in pretending that the opposition never suggested these ideas in the first place. Let's pretend none of those things were said, and we'll even pretend henceforth that the Premier did not mock and ridicule these ideas.

Madam Speaker, it is in that spirit of comity, of generosity of spirit that we enthusiastically support the Premier's trademark legislation of this session, Bill 12, because it is in the province's interest, and that's what matters, not who takes political credit for it, not who borrows which ideas, but whether or not we get the job done for this province.

Let me then speak to the principle at heart here, why this is so essential, why it so directly relates to our province's vital strategic economic interests. Madam Speaker, I've addressed this in the Chamber before, but we Albertans are so blessed to possess 10 per cent of the world's recoverable crude oil reserves. We have the third-largest recoverable reserves on the face of the Earth, and we are the fourth-largest producer in the world.

Now, I know there are members opposite and ideological fellow-travellers who in past years spent a lot of time on the steps of this Legislature at antienergy, anti-oil, antipipeline protests with signs that would say things like: no oil, no tar sands, no pipelines. I understand that there is a diversity of views on this and that that diversity is reflected. I mean, there are people in this province who believe that our having the third-largest oil reserves is not a blessing but a curse. Shockingly – shockingly – 25 per cent of Albertans consistently in the public opinion polls indicate that they are opposed to the Trans Mountain pipeline project, a quarter of the population. Madam Speaker, I'm delighted to report to you that none of them intend to vote for the United Conservative Party. I can't imagine which parties they support.

But what we do know is that there is substantial opposition to the energy industry in this province that comes, broadly speaking, from what I call the green left. Metaphorically, I call it the green left. It's like a watermelon. It's green on the outside but red on the inside. Those folks call it dirty oil. They call it the tar sands, right? They say: keep it in the ground. You know, some of them showed up at a

political convention here in Edmonton – it was March of 2016, I believe – the NDP's convention. They adopted a resolution proposed by a couple of – I'm trying to be charitable – very ideological figures from Toronto, Avi Lewis and his wife Naomi Klein. It's called the Leap Manifesto. The NDP at the convention here – and when I say the NDP, Madam Speaker, it's worth pointing out that the NDP is the NDP.

I have such a deep interest in the NDP that I actually have their constitution here on my desk. I won't bore members of the House, but it's interesting to find that the Alberta NDP is a constituent legal part of the Canadian NDP. It's one and the same. They're the same organization: same national leader, same national policies, same membership, same finances, same everything. The NDP came here in March, to Edmonton of all places. This is known as the City of Champions, but it's also known as the oil city, isn't it? The home of the Oilers. The NDP came to oil town, and they passed the Leap Manifesto resolution. They said: "Keep it in the ground. Keep it in the ground."

You know, one of the people who I suspect voted for that resolution is the NDP Premier of British Columbia, John Horgan, and I wouldn't be surprised if the NDP mayor of Vancouver, Gregor Robertson, voted here in oil town to keep it in the ground. I'm pretty sure that Derek Corrigan, the NDP mayor of Burnaby, was also there voting for the Leap Manifesto. Jagmeet Singh, the leader of the NDP, was there supporting the keep-it-in-the-ground Leap Manifesto, as did a majority of the delegates. I don't know. I think I'm starting to see a bit of a trend here. I think there's a pattern, Madam Speaker. It is true that, unfortunately, the majority of New Democrats in this country oppose the industry that is, in many ways, the beating heart of Alberta's economy.

You see, Madam Speaker, when I look at those oil reserves, like most Albertans, what I see is an invaluable asset that has a current notional market value at the current Brent prices of over \$11 trillion. That's \$11 trillion. When I look at the fact that this NDP government is on track for a hundred billion dollar debt and they're borrowing nearly a billion dollars a month, when I look at the estimate of approximately \$1.2 trillion in cumulative public debt and unfunded liabilities, unfunded health care and pension liabilities, when I look at those numbers, I realize how fortunate we are to have an asset which can help us to finance those debts, to hopefully pay off those debts and invest in the kind of quality of life and social programs, infrastructure, education, and health care that we hope for.

For me, Madam Speaker, I must confess that I have a hard time grasping the mentality of those on the political left in Canada. I really do. There's this term in psychology called cognitive dissonance. Cognitive dissonance means having the capacity to hold two contradictory propositions simultaneously, and it requires a bit of a mental trick. You've got to be able to sort of ignore one side of your mind while you're postulating another position. Well, I cannot think of a better example – they should probably teach this in psychology 101 – of the phenomenon of cognitive dissonance than the notion proposed by the left in Canada that we should always spend more on everything, more and more and more, because more spending, the left maintains, equals a higher standard of living in every instance. They hold that and maintain that.

You know what? I don't agree with the premise, but it's a defensible position. But at the same time, the same voices of the Canadian left say that we should shut down the industries which create the wealth to allow us to pay for those programs. This is a deep and irreconcilable contradiction in the political left in Canada. They want to stop producing the wealth, but they somehow want to pay for endless increases in government spending. Maybe it's

because I studied Aristotelian formal logic or something. The syllogisms just don't add up.

3:20

Madam Speaker, the point is this, that David Suzuki and NDP leader Jagmeet Singh and NDP Premier John Horgan and NDP Mayor Gregor Robertson and NDP Mayor Derek Corrigan and all of their fellow-travellers regard this \$11 trillion asset, most of which is located in the province of Alberta, as a problem and not a solution.

That is why starting about 10 years ago; it was actually 2008, the Rockefeller Brothers foundation – I mean, if you were to write a movie plot, this would be rejected for implausibility, Madam Speaker. The Rockefeller Brothers – by the way, they're a robber baron family that made their massive wealth in coal, oil, and gas – gathered a bunch of the green left organizations from Canada and the United States and around the world to what was called the Tar Sands Campaign conference in Manhattan, on the 80th floor of a luxury office tower, in 2008. Of course, all of these environmentalists flew in, presumably many of them first class and business class, and they undoubtedly stayed at five-star hotels in Manhattan and were wined and dined by Rockefeller Brothers. They spent three days together scheming on how to stop the development of Alberta's oil sands. The Rockefeller Brothers had brought to that meeting a number of prospective major donors.

By the way, how much time do I have?

Mr. Nixon: You've got up to 90 minutes.

Mr. Kenney: Okay. Well, that's where we're going, I think.

Madam Speaker, Rockefeller Brothers brought together major donors, including the Pew Charitable Trust, the MacArthur Foundation, Leadnow, the Tides Foundation U.S., Greenpeace Foundation, and other major foundations. They connected them to these activist groups. Basically, what they decided was this – and all of these documents, or many of these documents, are now in the public domain thanks, in part, to the diligent research of Vivian Krause, a brilliant woman who's been willing to tell truth to power in Vancouver, doing her independent research.

Essentially what they determined was this. They determined that they had zero chance of getting the other top energy producers in the world to turn off the taps and leave it in the ground. They determined that the socialist Bolivarian Republic of Venezuela, with the largest reserves in the world, would not stop producing. It didn't matter. They realized they could send Elizabeth May down there to chain herself to a fence, and it wouldn't stop Venezuela from producing oil.

Then they realized, Madam Speaker, that they could go to the Kingdom of Saudi Arabia, with the second-largest reserves on Earth, and they could send David Suzuki to tell them that oil is slavery and that immigration is evil and that Stephen Harper should be thrown in jail. By the way, he never said that about the King of Saudi Arabia. He wants to throw Stephen Harper in jail but not the King of Saudi Arabia or the President of Venezuela. They realized that the campaign wouldn't have any effect in Saudi, and that's the second-largest producer.

They realized that if they went to the fourth-largest producer, Vladimir Putin's Russian Federation, it wouldn't turn out so well. In fact, they did. Madam Speaker, I don't do this often, but I've got to give credit to Greenpeace because Greenpeace actually sent some of their western European activists to an offshore Russian drilling platform in the Arctic sea, and they got a couple of their boats going around there. Vladimir Putin gets on the phone, dispatches the Russian navy, and the next thing you know, these people are in jail

for the better part of a year. You know, I give them credit, actually, for the courage of their convictions, but funnily enough, after they spent a year in a Putin jail, they didn't go back. They never went back to Russia. Not once. You know where they went? Here. They went to Canada.

That's the point. The green left organizations that gathered at the Rockefeller Brothers foundation in New York City in 2008 mapped out a strategy focusing on Canada and Alberta as the soft target, as the Boy Scout, as the pushover. They developed a multifaceted organic strategy of advocacy and activism, deeply well resourced, begun by the stigmatization of particularly Alberta's oil sands, which, of course, they called tar sands. Madam Speaker, they succeeded brilliantly. I must confess that they succeeded partly because of the passivity of Alberta's oil and energy companies, who took for granted public understanding and acceptance of the industry and didn't fight back. Frankly, previous Alberta governments need to take part of the responsibility for this, too. Alberta's government did not invest enough in public education about energy literacy. So through the ensuing decade they managed to convince many people in Canada and particularly those outside, in Europe and elsewhere, that the oil sands were the moral equivalent of big tobacco.

Madam Speaker, I recall that I was at a very interesting conference in Europe with heads of government, heads of state, major corporate leadership from around the world about four years ago in Copenhagen. I was speaking to – I'm not at liberty to identify the person, but this person would be one of the largest shareholders of Royal Dutch Shell. This individual was berating me about the environmental devastation of the Canadian tar sands, not even knowing that this person owned a good chunk of a \$4 billion investment in the oil sands. That's how effective the Rockefeller Brothers Tar Sands Campaign was in the defamation of this province and its most important wealth creator. That started with the campaign of delegitimization, of defamation, of stigmatization of the oil sands, but the strategy ultimately was to land lock this resource. Again, knowing they couldn't land lock Qatari or Iranian, Venezuelan, Saudi, or Russian oil, the strategy was to land lock Canadian oil.

I must confess that the strategy of the green left was brilliant. They understood better than I did, better than perhaps many of us did, how much support they had in Canadian politics. Much of that support is personified by the principal secretary to the Rt. Hon. the Prime Minister, a man named Gerry Butts. Mr. Butts, who many describe as the most powerful person in Ottawa, is, when his boss is out doing photo ops about his socks and selfies and so forth, making the policy decisions.

Mr. Butts was president of the World Wildlife Federation of Canada, an organization which he took from being a mainstream conservationist organization, you know, which had seniors sending them \$10 cheques from their pensions to save hapless seals and endangered species, and he turned that group into a completely hostile, ideological, antienergy, anti oil sands lobby group, in which position he came to Alberta five years ago, giving the presentation in Calgary as president of WWF Canada. That's the World Wildlife Federation, not the wrestling federation. He gave this presentation, and he was asked: "You don't seem to support any of these pipeline proposals. You don't seem to support Northern Gateway or Energy East or Keystone XL. Do you have a proposed alternative pipeline route?" Mr. Butts responded, saying: no, I don't support an alternative pipeline; I support an alternative economy with no oil and gas.

3:30

So when his boss, our brilliant Prime Minister, Justin Trudeau, said that he wanted to, quote, phase out the oil sands, it wasn't a verbal lapse, Madam Speaker. It was policy. It was policy. These are the folks, by the way, that the NDP have lashed themselves to as inseparable political allies, the Trudeau-Butts Liberals, who are committed to phasing out the oil sands and who say that they do not support an alternative pipeline route. They want an alternative economy with no oil and gas.

Now, let me address the premise of, perhaps, Andrew Weaver, the leader of the B.C. Green Party, whose opposition is one of the reasons we have this bill before us. Let me address the fanaticism of Gerry Butts and Jagmeet Singh and the NDP and its Leap Manifesto. Their premise is that oil and gas emit carbon emissions and are therefore playing a major role in deleterious climate change effects, but what they don't tell us, Madam Speaker, is that according to the International Energy Agency there is projected to be a growing global demand for oil and gas through at least 2045, so for at least the next 25 years, the next generation or longer. They're only projecting that far. So far the actual consumption patterns support that projection, as my friend from Calgary-Foothills, an energy engineer, can confirm.

Madam Speaker, a few years ago there was this nonsense about peak oil. Well, it didn't happen. There's more oil and gas being produced, shipped, and consumed than ever before in human history. So the question then becomes: who will supply that growing demand? That's the question for Canada. The question is not whether there will be growing demand. The question is not whether that demand will be met. The question is: will that demand only be met by OPEC plus Russia, or will it be met increasingly by Canada? That's the question. It's a question that Gerry Butts and David Suzuki and Elizabeth May and John Horgan and the members opposite who used to go to antipipeline rallies refuse to ask themselves.

I don't know why that is. Maybe there's a tendency toward masochism. Maybe there's this notion that if we just punish ourselves, if we just assume a massive opportunity cost by forgiving hundreds of billions of dollars of future wealth, or, worse yet, if we impose one of these ridiculous carbon taxes and we punish people for heating their homes and driving to work and living normal lives in a cold, northern climate in an advanced modern economy, if we just engage in that economic masochism, somehow the gods will listen to us and will somehow ameliorate the global environment.

At the very least they seem to believe, Madam Speaker, that at least we can feel more virtuous about ourselves. We can feel better about ourselves while we allow Saudi Arabia, Iran, the emirate of Qatar, Venezuela, and Russia to profit from our stupidity. That's what it is. There is no virtue, I submit, in allowing the world's worst regimes to monopolize the growing global demand for hydrocarbons. There is vice in allowing that to happen, not virtue. Many of these regimes spread terror and conflict both at home and abroad, in their countries and around the world, fuelled by their energy wealth. Now, we can't stop them, but I'll tell you this. If we could go from essentially being a landlocked oil producer to actually selling a million or 2 million or 3 million barrels per day on global markets, yes, that would reduce global prices according to the law of supply and demand.

That means that the Iranian mullahs, who hang gay men and stone women accused of adultery, would have a lower price and less revenue for their terror machine. It means that the budget that they give to the al-Quds Force of the Iranian revolutionary guard to spread terrorism and blow up Jewish community centres around the world, for example – their nuclear program would have relatively

less funds. It means that Vladimir Putin would have less revenue available to support his invasion of Ukraine and his policy of destabilization in Syria and elsewhere, propping up the dictator Assad. It means that the Saudi kingdom would have relatively less revenue to support the spread of Wahhabist ideology around the world, which is a root cause of so much terror. It means that the corrupt socialist dictatorship in Venezuela would have less of an ability to oppress its people.

So, Madam Speaker, this is not just existential for our economy; it is a moral question for the world. That is why the time has come for Canadians of good faith to bind together finally with force to fight back against the tar sands campaign of the Rockefeller Brothers and their allies in the green left. It is time for us to say that enough is enough and that we will no longer tolerate the stigmatization and the defamation of a proud industry that has fuelled our prosperity, that has moved countless Canadians from poverty to prosperity, that has been the biggest engine of social mobility in Canada's modern economic history, our oil and gas industry, the production of which is done at the highest environmental, human rights, and labour standards on Earth.

It is time not, as our Premier did three years ago, to go to Toronto and say that we don't want to be, quote, the embarrassing cousins of Confederation but to say that we are proud of the work done by our women and men to build our prosperity in Alberta's energy industry. It is time to do that, and that is why I've advocated this fight-back strategy.

Now, Madam Speaker, I agree – so the context here, of course, is that the B.C. government has created massive uncertainty. You know, what we see here in B.C. right now is the local application of the tar sands campaign strategy, the leave it in the ground strategy. What is the strategy in B.C.? Well, it is highly co-ordinated and multifaceted. On the one hand, you have the NDP-Green government, that has required hundreds of provincial permits to be issued for the Trans Mountain expansion to proceed. You have a provincial government that's gone to court on three separate instances, most recently a reference about their putative jurisdictional authority to effectively veto the pipeline through dilatory environmental regulations. You have a string of NDP municipal governments refusing to grant permits and the case of the NDP in Burnaby refusing to pay for the legal costs of the RCMP enforcing the law.

Then you have the green left organizations engaged in civil disobedience trying to slow down the project. Even though you have virtually every First Nation on the pipeline route, in fact, every one from Sherwood Park to Burnaby supporting the project – I think there are two or three that have been approached by these various foundations, and they've lawyered up to litigate that to death. The strategy, as I've said, Madam Speaker, is death by delay.

3:40

Now, I've taken the strategy seriously from the get-go, and I've been concerned that it would work, that ultimately the prospect of the construction of the pipeline might still exist but the delays would become so serious that the project proponent, Kinder Morgan, would finally just walk away and say: "Basta. Enough. We've had enough. We're washing our hands of it." It seemed to be a great shock to our Premier, but it was not the least bit surprising to me or many observers that Kinder Morgan announced three weeks ago the suspension of any further major expenditures on the project pending a review, with a deadline of and possible cancellation on May 31, 30 days from today. Thirty days from today.

Unbelievably, the Premier's response was one of optimism. Now, by the way, I love – optimism is a great instinct, Madam Speaker.

We always want to be hopeful and wish for the best. But when you're a head of government, you've got to deal with reality, not things as you wish they would be but as they are. I was questioning the Premier at Public Accounts . . .

Mr. Nixon: Budget estimates.

Mr. Kenney: The budget estimates committee.

. . . 10 days ago, and I asked her about her views on the prospects of the construction of this project. She said that she was extremely optimistic, that she had never been more certain that Trans Mountain would be built. And while she said those words, the president of Kinder Morgan was on a call with investors saying that he continued to believe that the project may be untenable and that nothing that had happened in the previous 10 days had changed his view about that. He was referring implicitly to the emergency meeting with the Prime Minister, the Premier, and the NDP Premier John Horgan in Ottawa. He was referring to this NDP Premier's musings about buying out the project. The head of the company said that it remains apparently untenable.

Now, Madam Speaker, this then brings us back to Bill 12. The point of this bill, the point of the fight-back strategy is to make it clear in the minds of the NDP in Victoria that if they violate our Constitution, if they upend the economic union of Canada, which is the basic premise of Confederation, if they violate the rule of law and they attack Canada's vital economic interests, there will be serious consequences. That's essentially what this bill does. It grants extraordinary powers to the Minister of Energy to effectively withhold permits for the shipment of oil and gas out of Alberta.

Now, let me be clear. The United Conservative caucus does not endorse these extraordinary powers lightly. We had a very vigorous debate about this, discussion about this in our caucus, and I must tell you, Madam Speaker, that there are a lot of our members who are uneasy about the powers in this bill, as am I. To grant any government, let alone a government that believes in state ownership of the means of production as a fundamental premise, such extraordinary power over the free shipment of goods and services is contrary to our instincts in this party as a party that believes in markets and private property and respects the sanctity of contract. But we recognize that we are living through extraordinary times. We recognize that if this pipeline does not get built, there will be a massive long-term economic cost to this province, a cost of – I gather that the current estimate is that we're losing about \$12 billion a year.

Mr. Panda: Fifteen point six billion dollars; \$43 million dollars a day.

Mr. Kenney: We're losing \$43 million dollars a day underselling our oil because of our captivity to the U.S. market. If you rack that up over 10 or 20 years, we're talking hundreds of billions of dollars. That doesn't include the billions of revenue that are lost to the Alberta Crown.

But there's a bigger principle here, I say, Madam Speaker, about the rule of law, about the Constitution, and that is why we believe that this is a power that may have to be used. In B.C. now consumers are paying a buck 70 to fill up their gas tanks, the highest prices ever in North America, higher than during the Suez crisis or the OPEC crisis. This is shocking.

One of my favourite things, Madam Speaker, is when politicians on the left feign outrage at high gas prices. "This is a terrible thing. We've got to stop these high gas prices." That's the point of the carbon tax. That is their goal, to make gas prices higher.

I don't know, Madam Speaker, if you've ever seen that great movie *Casablanca*, with Humphrey Bogart and Ingrid Bergman. There's a great English actor, Claude Rains, who plays Captain Renault. Captain Renault comes in to Rick's American café and they're gambling away and he's been paid off by the Nazis. He blows his whistle. He says that he's shutting down the casino, and Humphrey Bogart walks up to Claude Rains and says, "Why? Why are you shutting down the casino?" and Claude Rains says, "Because it has come to my attention that there is gambling going on in this establishment," as the croupier arrives and says to Claude Rains, "Your winnings, sir." That's the NDP on the carbon tax. They're shocked that people have to pay more for gas prices, but that's exactly what they want.

But, Madam Speaker, here's the point. Perhaps if we turned off the taps, it wouldn't be a buck 70 a litre. It would be \$2.50 or \$3 or \$3.50 a litre, and perhaps ordinary, hard-working British Columbians would pick up the phone and call their NDP MLAs and say: "What have you done to our economy? What have you done to our standard of living?" Maybe even the green left that drives to the illegal protests in Burnaby would figure out that their Priuses are not fuelled by pixie dust but by Alberta crude oil.

So, Madam Speaker, that is essentially why we believe this threat is one worth making, but it has to be credible. What concerns me most is that this bill could just be – I hope this is not true – empty political theatre. Heaven forbid, but I've got to admit that since the Premier mocked and ridiculed this idea last year – she said that the idea was about building walls and having a temper tantrum and it was ridiculous – well, maybe that's why I'm not quite sure her heart is in this.

I hope I'm wrong, but if I'm wrong, then why is it that John Horgan came out of his meeting with our Premier in Ottawa 17 days ago saying that our Premier told John Horgan that she does not intend to use this power, that the bill is just being dropped because there's limited time in the Alberta Legislature? Why is it that the NDP in British Columbia – their environment minister, their energy minister, Andrew Weaver, the Green Party leader who's driving this oil-filled bus – why is it that they all say that this is an empty threat? What is the point of a threat if the people being threatened, the B.C. government, believe it is empty? The point is: nothing.

I asked the Premier today – I asked her three times because she wouldn't answer – under what circumstances she would use the powers included in Bill 12. She couldn't answer. I can only infer it's because she doesn't intend to. And what's the point if we seek to use these powers after May 31, after the possible cancellation of this project?

In conclusion, as my time is running out, Madam Speaker, we support this bill, but more importantly we support it on one condition. We'll propose a motion for a grandfather clause so that it's not a permanent power. We support it on the condition that the government makes it absolutely clear that it intends to use this power if the government of British Columbia continues its policy of obstructing our Constitution and attacking our vital economic interests.

Thank you, Madam Speaker.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)? The hon. Member for Calgary-Hawkwood.

Connolly: Well, thank you very much, Madam Speaker. I have to say that it was interesting to hear the member opposite's speech. I have to say that it was thrilling. I'm kind of disappointed he didn't

take the full 90 minutes, but I appreciate the length at which he did speak. I just have a couple of comments on what he mentioned. A big part of his story was cognitive dissonance. I just wanted to touch on that for a moment because I'm not going to say the member opposite is the personification of cognitive dissonance, but it's close, quite frankly.

3:50

Now, I got into politics not just because the member opposite was my MP for just under 20 years, but I have to say that it was a big reason that I decided to get into politics. So I kind of want to thank him for that. But what I don't understand and what maybe the member opposite can help me with is how one can believe in so-called small government but at the same time think that the government needs to intervene whenever a woman wants to access basic health care such as an abortion. To me that seems like cognitive dissonance. The members opposite don't want to talk about access to women's health care such as abortions like you were elected to do in here, in Edmonton, but you're perfectly fine and happy to talk about it in Red Deer over the weekend, something that could be called a safe space.

Now, beyond that, which I believe qualifies as cognitive dissonance, is believing in small government, but if a small group of mature young adults wants to form a club which has been proven to save lives and to stop children and youth from committing suicide, that's something the government needs to stop according to the members opposite. That's something that the parents need to understand and know, that this child is part of a club because they need a safe space like the members opposite do in Red Deer when they talk about abortions because they can't do it in here.

Now, cognitive dissonance is also believing in small government, but if I want to marry the man that I love . . .

Mr. Nixon: Point of order.

**Point of Order
Relevance**

The Acting Speaker: Go ahead, hon. member.

Mr. Nixon: We're on 29(2)(a), Madam Speaker, and this member is right to ask a question. It should be relevant to the bill that we're discussing as everybody in this House knows, and I'd encourage the member to ask the question.

The Acting Speaker: The hon. Member for Banff-Cochrane.

Mr. Westhead: Thank you. Just in response to the point of order, Madam Speaker, the Member for Calgary-Lougheed referred to cognitive dissonance in his speech. I believe the Member for Calgary-Hawkwood is discussing how he sees that as a contradiction, what the Member for Calgary-Lougheed talked about. It's relevant under 29(2)(a), making a comment about what he mentioned in his speech. I think the member was trying to make his point, and I'd appreciate if he has the opportunity to do so.

The Acting Speaker: At this point there is no point of order. However, I'd like to remind all members of the House if we could try to focus on the bill in front of us and the content of the bill and also a reminder that comments and questions are to be directed around the content of the bill and the comments that have been made. I've allowed a lot of leeway already today, but I would like us to refocus if we could and stick to the mandate of second reading, which is the content of the bill.

Hon. member, were you planning on continuing?

Debate Continued

Connolly: Yeah. I do have a question at the end, and I will get to it, I promise.

Just to continue where I was, cognitive dissonance is believing in small government, but if I want to marry the man that I love, the government should stop us because we can't possibly be part of a family like one of the policies that the UCP will be arguing about this weekend.

Mr. Nixon: Point of order.

The Acting Speaker: Point of order.

**Point of Order
Relevance**

Mr. Nixon: The hon. member just disregarded every comment that you just made, Madam Speaker. We are not here to debate the policy of the United Conservative Party, which will be debated this weekend by our party, not inside this place by the members of our party. The member, as you said, should start to refer to the bill, stop playing these childish games, and I would ask that you would encourage him to do that.

The Acting Speaker: Hon. members, I will reiterate what I said. I think if we could please refrain from commenting on outside policy that has nothing to do with the bill. I would encourage you to please go back to the content of the bill and refrain from commenting further on anything outside of the content of the bill. If you have a question that you would like to direct to the hon. Official Opposition leader, please go ahead. If not, I will continue on to 29(2)(a) with another member.

Debate Continued

Connolly: Yeah. I do have a question, like I said. One would say that this bill could be considered large government because you're interfering with business. You're stopping them from going outside jurisdictions. You're interfering with putting their product into other markets, and that's partly what this bill does, which is large government. But you seem to love small government, so that would also seem to be cognitive dissonance. Why is small government good for certain things, but when it comes to gays or women or trans people or things like this bill . . .

Mr. Nixon: Point of order, Madam Speaker. [interjections]

**Point of Order
Relevance**

Mr. Nixon: I can hear the government members heckling me while I speak during my point of order, Madam Speaker, but that's to the point. You've told this member, the Member for Calgary-Hawkwood, two times, I guess, now – this will be the third time – to stick to the relevance of the bill. The issues that he just raised, while they are important issues in this province, are not relevant to this bill. Again, can you please instruct the member to yield the floor if he can't follow the rules of this place?

The Acting Speaker: The hon. Member for Strathcona-Sherwood Park.

Cortes-Vargas: Madam Speaker, out of definite respect for this debate but also to the member opposite, he has not cited any standing order.

Also, you have said to bring into context the context of the debate, which is what he did. It is general practice within this debate in this House for people to make comparison on the relativity of some issues to another. It is something that he did throughout his debate. It is something that he's doing now. Just because the topic that is being used as the contrast is something that the member opposite is uncomfortable with doesn't make it out of the scope of debate and putting it into contrast. He did ask a question in regard to the bill in front of us, and he did ask a question, but he framed it in such a way that the member opposite does not want to hear it. That's not something that he can choose. He cannot choose what the members on this side of the House choose to debate and how they need to frame their questions. That starts getting into a whole other conversation, and I don't think that's the point.

He did start referring to the bill. He did make that question, and that is exactly what you directed, Madam Speaker. You did mention in the beginning that you didn't have a point of order. You still stood up the second time to interrupt him. This is where we're going. He still has to be able to make a contrasting statement similar to what the members opposite have been doing all afternoon. I think we don't have a point of order here, but we do need to get back to debate, and they can't keep defining what we're allowed to say in this House.

The Acting Speaker: No. I'm not going to have any more comment. We've had a comment from the opposition side and a comment from government side.

Hon. Member for Calgary-Hawkwood, I will allow you to ask your question, and then we will move on with the debate, so if you can keep it short and ask your question to the hon. member so that someone else can continue under 29(2)(a), please.

Debate Continued

Connolly: Thank you, Madam Speaker. I'm excited to try a third time to get through my question because I'm really excited to hear the hon. member answer it. Why does he constantly believe in small government, but when it comes to certain things like this bill and like those other aspects that I mentioned, large government is completely fine and he's happy to have it roll on through?

The Acting Speaker: Hon. member, do you wish to respond? Okay. Please.

Mr. Kenney: Thank you, Madam Speaker. First of all I'd like to apologize to the Chamber. I thought I had only 45 minutes. It turns out I had 90 minutes. I apologize for giving up the other 45 minutes.

I must confess that I'm not clear on the question. I would simply say that this is not a high school or university debate club. This is a Chamber dealing with important business, and Bill 12 has been characterized as the most important bill of the government's program. I would have expected a member of the government to appreciate the fact that the Official Opposition is supporting the government's bill in this respect, and perhaps it would be too much to ask that they actually also acknowledge our role in framing the bill by proposing the idea in the first place.

The Acting Speaker: Thank you, hon. member.

I would like to now recognize the hon. Member for Calgary-Elbow, followed by the Minister of Advanced Education.

Mr. Clark: Thank you very much, Madam Speaker. I appreciate the opportunity to rise and speak on Bill 12, which is an important piece of legislation, without question. The Alberta Party and certainly myself very much support any effort to ensure that the

Kinder Morgan pipeline is built. Whatever it takes is what we need to do to make sure that Alberta's products can get to global markets and that we get a pipeline built to tidewater, so we are broadly and generally supportive of this bill.

4:00

I will say that it's a real shame that it has gotten to this point. It's unfortunate that the government has not pushed harder sooner to get the pipeline built and get the approvals, to ensure that their NDP colleagues in British Columbia were not more amenable to following the rule of law for a project that has been vetted and reviewed, probably the most thorough review of any project that I can certainly remember, a very comprehensive and professional review done by the National Energy Board. The project was deemed to be in the national interest, it was deemed to be safe, 157 conditions were placed on Kinder Morgan in the construction of the pipeline, and Canada's world-leading regulatory system was again on display. We have the best regulatory system in the entire world.

It is a shame that the province of British Columbia insists on throwing up legal roadblocks. If that means that we need to adjust, shall I say, how and where and when we ship our natural resources to perhaps send British Columbia a message that they should stop messing around with an approved project, then so be it. That is what, I guess, we'll have to do.

You know, the part that's always puzzled me about the way that this government has approached the pipeline file is that the province of Alberta and this government's goals should be aligned with the goals of British Columbia even before the NDP came into power in B.C. The Trans Mountain pipeline will have an environmental benefit. This is something that has not been, I think, really even discussed much at all by this government. They had just simply hoped that by having a carbon tax – they would cross their fingers and hope that everyone would give them the social licence to build a pipeline. Well, very clearly that's not happening.

But by building the Trans Mountain pipeline, Alberta crude will displace heavy crudes from Venezuela and Nigeria, countries that have, frankly, atrocious environmental track records. They have just terrible human rights records, certainly don't have anything near the regulatory rigour and oversight that we do. As a result, their crudes are on the market, and ours is not. As a result of their production methods, they're not investing hundreds of millions or billions of dollars of private capital in energy efficiency, in reducing the impact of carbon emissions coming from the production of oil sands oil, of bitumen from Alberta's oil sands.

We in this province are the most environmentally responsible, the most socially responsible, the most innovative oil and gas developing region in the entire world. That is something we ought to be absolutely proud of. Unfortunately, we had a government for years that was sleepwalking through the process, just kind of hoping that somehow everything was going to be okay. What they should have been doing was, early on, pushing very, very, very hard to ensure that this project was built and doing that by making the case not just government to government but to the people of British Columbia, making the case to the rest of the country for the benefit, not just the economic benefit – and make no mistake; there is a substantial economic benefit – to, yes, the province of Alberta but to the entire country, of building pipelines. Huge, huge benefits economically.

But there are, equally, environmental benefits to doing so that go far beyond the government's carbon tax. It is an absolute fact that by continuing to develop the oil sands, we will displace higher carbon sources of crude with Alberta crude. Companies that are developing technologies to reduce carbon emissions and reduce the impact of the development of the oil sands, including the impact on

fresh water, the impact on land use, on greatly reducing tailings – those technologies are applicable elsewhere in the world. As other countries try to reduce their carbon emissions, they will be using made-in-Alberta technologies to do so. Those technologies are going to be created in the pursuit of developing the oil sands.

That is, I think, aligned with what the people of British Columbia want, with what the people of Canada want. That is the case that should have been made by this government. They had a unique opportunity to do that because they as the NDP, I would think, should at least have some credibility on the environmental side, but unfortunately they're a little late to the game. None more fervent than the converted, I suppose, Madam Speaker. They're certainly hitting above their weight on this file now, and I suppose I'm relieved to see that they're doing that. That's good news. They are, I think, quite vigorously defending Alberta's interests now on the pipeline file, but I wish we could have said the same thing going back three years. Had we been able to say the same thing going back three years, I think that we would be in a much better position as it relates to the Kinder Morgan pipeline specifically but also other pipeline projects, Energy East in particular. So it is a shame that it has come to this.

This bill does grant the government extraordinary powers to arbitrarily and without any stated compensation simply dictate to a shipper where and to whom and how they can move their product. That is not something, I think, that would be an ordinary power that government has. As a result, when the time comes, we intend to move an amendment to add a sunset clause to this bill. This is not the sort of power that a government should have in perpetuity. It should expire at some point in the not-too-distant future. I'd certainly be happy to work with the government in determining what an appropriate time for that sunset clause is. I think that's something that would certainly make industry a lot happier as well, to know that this sort of power will not exist in perpetuity, you know, beyond the hopefully relatively short period of time it will take to actually get the Kinder Morgan pipeline built and operational. I think that's important.

Now, of course, a sunset clause doesn't mean that the bill necessarily goes away. What it means is that it will expire unless renewed by the Legislative Assembly. We as legislators would have the opportunity to renew the bill should we find at the time of the sunset clause or leading up to it that, in fact, it was necessary.

The other piece I would think there should be more clarity on is: what is the compensation plan should the government decide that they need to use this? This could potentially cost companies that have been operating in good faith, within the bounds of law, doing nothing more than plying their trade and moving Alberta's natural resources. There may be substantial financial impacts on those companies, and the government ought to look at compensation. I understand that the minister has indicated that she has had some discussions with industry on that. That's obviously a good thing. But I would have liked to have seen some sort of model shared with the Assembly, and I would make that ask now officially and formally and on the record, that the government do in fact give us some more insight, some more details in terms of what the compensation plan would be. That's something that is also a question that I would hope, as the debate rolls on, the government is able to provide for us.

The other question I have is: what impact would this have, should the government choose to exercise these powers, on agreements that shippers have with their suppliers, contractors, customers? They have a legal obligation to fulfill those contractual commitments to ship product, and if the government frustrates that, what happens? I actually don't know what the impact of that would be on those agreements. Does that put the company itself, the

shippers themselves offside with their contractual agreements that they have in place with their customers? Does that potentially expose them to, I guess, what we'd consider double jeopardy, where they're not allowed to ship the product, but they're contractually obligated to ship the product? Are they potentially opening themselves up to legal action or a compensation claim by their customers? I don't know the answer to that question. I would like the government to please weigh in on answers to those questions.

As I say, I think the sunset clause is an important aspect of this, and I do look forward very much to bringing that forward when we get a chance. I'm, again, profoundly disappointed that the government has allowed us to get to this point and allowed this file to languish for as long as they have. They have stepped up to the plate now. We're debating a bill that, hopefully, will help us get a pipeline built. We have the government now forcefully defending Alberta's interests, and I'm glad to see that, but I would have liked to have seen that a lot earlier so we wouldn't find ourselves in this position.

Thank you, Madam Speaker.

4:10

The Acting Speaker: Thank you, hon. member.

Are there any members under 29(2)(a)?

Seeing none, I'll now call on the Minister of Advanced Education.

Mr. Schmidt: Well, thank you, Madam Speaker. It certainly has been a riveting debate. I listened intently to all of the issues and ideas that were raised by all of the members who spoke, some who were certainly more worthy of listening to than others, but it's always interesting to hear what's being said.

Of course, there's plenty more time to debate this topic in the very near future, and I look forward to the members opposite explaining, perhaps, why they failed on getting a pipeline to tidewater built. Since they're so keen to claim credit for this, maybe tell us why we're in this position in the first place, that we have to come to this. The Kinder Morgan expansion should have been built a long time ago, but the federal Conservatives, of course, failed in their duties to protect the interests of working Albertans and working Canadians, to get that pipeline built when they had the chance.

But now is not the time to continue that debate, Madam Speaker. We have other issues that are urgent and pressing in this House, and I believe that it's time that we get on to those. In that spirit, I move that we adjourn debate on this bill.

The Acting Speaker: Thank you, hon. minister.

[The voice vote indicated that the motion to adjourn debate carried]

[Several members rose calling for a division. The division bell was rung at 4:12 p.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[Ms Sweet in the chair]

For the motion:

Anderson, S.	Hoffman	Payne
Carson	Horne	Piquette
Connolly	Jansen	Renaud
Coolahan	Kazim	Rosendahl
Cortes-Vargas	Kleinsteuber	Schmidt
Dach	Littlewood	Schreiner
Dang	Luff	Shepherd
Drever	Malkinson	Sigurdson
Eggen	Mason	Sucha
Feehan	McLean	Turner

Fitzpatrick	Miller	Westhead
Ganley	Miranda	Woollard
Hinkley	Nielsen	
Against the motion:		
Aheer	Gill	Panda
Anderson, W.	Hunter	Stier
Drysdale	Nixon	Swann
Totals:	For – 38	Against – 9

[Motion to adjourn debate carried]

Bill 13

An Act to Secure Alberta's Electricity Future

The Acting Speaker: The hon. Minister of Service Alberta and Status of Women.

Ms McLean: Thank you, Madam Speaker. I rise today on behalf of the Minister of Energy to move second reading of Bill 13, An Act to Secure Alberta's Electricity Future.

Our Act to Secure Alberta's Electricity Future would make the necessary legislative changes to transition Alberta's electricity system to a more stable and reliable system that benefits both consumers and industry. In November 2016 we committed to modernizing Alberta's electricity system to ensure that we continue to deliver reliable energy, attract investment, and prepare for a low-carbon future while protecting Albertans from price volatility.

4:30

Through this bill we take several major steps towards fulfilling our promise to Albertans, including enabling the transition to a capacity market, providing for specified penalties for energy service providers that violate rules intended to protect consumers, enabling small-scale and community generation, and repairing policy around the disposition of regulated utility assets.

The legislation also allows our electric system actors to maintain existing and useful transmission policy elements by properly addressing them in regulation-making authority and cleans up after the spent provisions that were left over from the last market transition, when deregulation brought us price spikes and uncertainty.

When we first announced we would be modernizing Alberta's electricity system, we highlighted our plan to transition our energy-only market to a capacity market framework. This move was recommended by current and potential energy investors, external experts, consumer groups, and the Alberta Electric System Operator. A capacity market will ensure Albertans have safe, reliable, sustainable, and affordable electricity. It benefits both consumers and investors. It provides electricity consumers with greater price stability. It makes room for competition, innovation, and private investment while providing revenue certainty for investors.

We have been working with stakeholders to develop a best-in-class capacity market for Alberta. This legislation will enable our made-in-Alberta approach to a proven market system. Further, it will guarantee strong governance of the electricity system by ensuring the right checks and balances are in place to drive certainty and confidence in this new market. That, as you know, is incredibly important. Predictability and stability mean increased investment certainty.

The legislative amendments for a capacity market cover four broad themes. The first is to set the foundation for the capacity market and create the long-term policy certainty that investors need. For example, the Purposes section of the Electric Utilities Act has

been updated to enshrine three core principles of the capacity market: to ensure that a reliable supply of electricity is available at a reasonable cost to consumers; to operate in a way that is fair, efficient, and openly competitive; and to distribute the costs of procuring capacity among customers fairly and in a manner that incents economic efficiency.

The second theme creates the clear mandate and authorities for Alberta's electricity agencies and market participants. Amendments extend agency duties and responsibilities to include the capacity market. They update the duties of the Alberta Electric System Operator to include operating and managing the capacity market. They add review and approval for all capacity and energy market rules to the Alberta Utilities Commission's duties, and they extend the duties of the Market Surveillance Administrator to include surveillance of the capacity market.

A third area of focus is rules oversight. The proposed amendments in this legislation will enhance public interest oversight of the market rules development and approval process. This, too, will help promote stakeholder confidence in the new market system. Bill 13 requires all new or modified market rules to be reviewed and approved by the Alberta Utilities Commission. Under the new rules approval process the Alberta Electric System Operator will need to satisfy the commission. The market rules are in the public interest and, in the case of the capacity market, support reliability at reasonable costs to consumers.

These changes will align Alberta's market governance arrangements with best practices in capacity markets in other jurisdictions. Additionally, the amendments will enable a provisional process that will ensure all necessary rules are in place before the start of the first auction process.

The fourth and final theme is stakeholder participation. When we announced our move to a capacity market 18 months ago, we promised that the transition would be made in an open and transparent way, working with stakeholders throughout the process. Quite simply, open and transparent processes where industry, consumer, and stakeholder views are well represented is just good governance.

In recognition of this, two key changes enhance stakeholder involvement in Alberta's electricity rule development. First, consultations with market participants, other interested parties, and the Market Surveillance Administrator will be required when rules are developed. Second, the Alberta Electric System Operator will be required to establish a process for market participants and other interested parties to propose changes to all rules. To be clear, these are substantial enhancements to the existing processes in our electricity system and apply beyond just the new capacity market. They will bring more accountability and opportunity for input to Alberta's electricity system as a whole.

Madam Speaker, the capacity market is certainly not the only way that this legislation would improve the electricity system for Albertans. With this legislation, we are also addressing concerns about incorrect power bills and issues in customer service from electricity and natural gas service providers. An Act to Secure Alberta's Electricity Future will protect Albertans from poor customer service. Bill 13 will hold electricity and natural gas service providers accountable for inappropriate business practices or breaches of customer service such as late or inaccurate bills. The Utilities Consumer Advocate receives thousands of complaints each year. Electricity and natural gas consumers are frustrated, and they have asked us to address their concerns.

Bill 13 does just that. It would provide the Alberta Utilities Commission with the ability to directly issue specified penalties to electric and natural gas service providers for particular breaches. The specified penalty is a financial penalty that is imposed directly

for infractions that are minor to the system as a whole but can be significant and distressing for consumers. These penalties can be compared to a speeding or traffic ticket, for example, for these companies. Currently the only enforcement tool that the commission has is its formal hearing process, which can be lengthy, onerous, and costly. That process does not work as well as it could for consumers. The commission will have the authority to develop the specified penalties rules in consultation with stakeholders to ensure that they are clear and that the penalties are fair.

This legislation would give the Alberta Utilities Commission the ability to issue fines of up to \$10,000 per infraction per day if necessary. This maximum penalty is severe, to be clear, and would only be imposed for very significant infractions, but it's important to know that the commission would have the legal ability to impose the level of penalty if appropriate. Should a penalty be issued, the commission would also have the authority to allocate the proceeds of the specified penalty back into the pockets of the affected consumers. By enabling these penalties, we would create better incentive for compliance with rules to protect electricity and natural gas consumers from experiencing poor customer service such as billing errors.

The amendments proposed in Bill 13 also support government's work around community generation. Amendments to the Electric Utilities Act would authorize the Minister of Energy to make regulations to enable small-scale and community generation, including their definition, development, connection, and operation. Albertans have told us that they want more options to generate their own electricity, and we're helping. We're taking action to make that happen. Small-scale and community generation will provide flexibility for communities or organizations that want to generate their own electricity from renewable or alternative sources such as solar and wind. This is very exciting stuff, Madam Speaker. This will allow Albertans to take a more active role in our province's electricity supply – they've been asking for this for decades – while creating more options for their own electricity choices, while at the same time attracting investment, creating jobs, and further strengthening our province's leadership position as a responsible energy producer.

Bill 13 also seeks to address a long-standing issue that has created uncertainty for investors and consumers for over a decade. This relates to how costs and benefits are allocated upon disposition of assets in the regulated utilities space. Bill 13 seeks to fill the gap left when a 2006 Supreme Court decision found that provincial legislation didn't provide the Alberta Utilities Commission with clear legal authority to allocate gains and losses.

4:40

Finally, Bill 13 also includes administrative amendments to continue the policies of the transmission deficiency regulation. This regulation will enable more efficient connections of industrial and commercial consumers to the transmission system. It was developed several years ago through a consensus-building process between utilities and consumers. Because the existing legislation failed to enable these policies for the long term, the policies would expire in 2019 without the amendments in Bill 13.

Madam Speaker, Bill 13 lays the groundwork for Alberta's electricity future and the province's long-term prosperity. It allows us to take the steps we need to fix the broken system that we inherited and to ensure that our electricity system works for Albertans well into the future. It will provide stability over volatility for electricity prices, simplicity over complexity in a changing market, and assurance over risk for investors.

I hope that all members will support me in moving forward and support our government in moving forward with Bill 13. Thank you, Madam Speaker.

The Acting Speaker: Thank you, Minister. I just want to clarify that you are moving second reading on behalf of the Minister of Energy.

Ms McLean: I said that at the beginning. Thank you, Madam Speaker.

The Acting Speaker: Is there anybody else wishing to speak? The hon. Member for Calgary-Foothills.

Mr. Panda: Thank you, Madam Speaker. I rise to speak to Bill 13, An Act to Secure Alberta's Electricity Future. The actions of the NDP government have made electricity more expensive for Albertans, and Bill 13 will make the electricity even more expensive. After a series of Whac-A-Mole policies pulling on a thread and unraveling the whole tapestry, the NDP government have brought forward a bill in an attempt to try and put Humpty Dumpty back together again. The children's fable makes it out that Humpty Dumpty was an egg. All of Her Majesty's men and women in the cabinet, no matter how much superglue is used, will not put Humpty Dumpty back together again. Humpty Dumpty will never be the same, and the same is true for Alberta's electrical system. After Bill 13 the electricity market will never be the same.

How did we get to this place? The environment minister likes to talk about the government of Stephen Harper in Ottawa planning to shut down Alberta's coal-fired generating stations. That's true. Stephen Harper's government had a thoughtful plan to phase out coal-fired generation for 12 plants in Alberta by 2029. Some of those plants were at payout anyway and were older and going to be shut down or converted to natural gas anyway. It was a common-sense approach. Our associates in industry indicate that in the energy-only market it would still be possible to replace that baseload capacity that Ottawa mandated to phase out.

Along comes the NDP government with the idea of shutting down all of the coal-fired power plants. That is six more plants, Madam Speaker. Industry demanded compensation, and the NDP cost Albertans \$1.36 billion to shut these six coal plants early and likely convert them to natural gas. Some of these coal plants are practically brand new. Keephills 3 was supposed to run to 2061 and Genesee 3 to 2055. Coal conversion to natural gas is not as efficient as brand new combined-cycle natural gas power plants, so the NDP threw the electricity market into chaos.

There was also the nasty business of raising the carbon tax on large emitters, triggering the power purchase agreement dump to the Balancing Pool and the \$2 billion this cost the taxpayers and the resignation of the officials at the Balancing Pool. Madam Speaker, the NDP is trying to bring these major, major changes to the electricity market. At the time, of the key people heading these four institutions under this electricity department, two of them don't have the heads running those organizations, and then the third one is about to leave. Three out of the four institutions won't have the heads of those institutions at such a critical time.

But that's a story for another day, Madam Speaker. Yesterday the House leader thought that there was a conspiracy theory, and then he brought in aliens. He thought that aliens would walk around and take over. That's why we'll have that discussion some other day.

For today, though, we need to know: how is this baseload generation from coal going to get replaced in the energy-only market? The Alberta Electric System Operator, AESO, the body mandated by the legislation to connect generators with transmission to run the electricity market and keep adequate electricity flowing,

ran an analysis. The AESO found that the \$1,000 per megawatt hour cap on wholesale electricity prices would have to rise to \$5,000 per megawatt hour, which is equal to \$5 per kilowatt hour, to attract the investments needed to make the system reliable. In AESO's words: this might have been revenue sufficient, but it was not a revenue-certain option, and it would create too much volatility for consumers.

Who would want their power bills to be five times higher, Madam Speaker? I don't think you want that. I don't think I want it. Who wants their power bills to be \$40 one month and \$200 the next month, followed by maybe \$90 another month and then up to \$180 another month? People on a fixed income, the Marthas and the Henrys, cannot handle these wild market volatilities.

In addition, the NDP policy to push for more renewable electricity generation was identified as the one that would compromise the reliability of the electrical system. This was the AESO's finding in October 2016. So what does the NDP do in November 2016, Madam Speaker? They bring in Bill 27 and mandate 20 per cent renewables to provide electricity to Albertans. The NDP compromised the reliability of the electrical system. Then they had advice warning them that this would happen, and they did it anyway. That's truly scandalous. Not only is it scandalous; it is downright evil.

[Mr. Sucha in the chair]

The NDP compromised the reliability of Alberta's electrical system with their drive for renewables. Now Alberta needs to attract the baseload to replace the coal-fired generating stations, and Alberta needs to attract the backup generation to supply electricity when the wind does not blow and when the sun does not shine.

Now, the NDP had several choices between what they could do. They could have done like many provinces and dropped the free market entirely and gone on a long-term contract basis. That was one option. This appears to be what the NDP has done for the renewable electricity program 1: wind generators that will be operating outside of the capacity market.

The NDP could have adopted cost-of-service regulations in a nonmarket structure, but the NDP chose a capacity market. Albertans pay for capacity now; it is just bundled in with their energy costs now. Under the new system generators will get two payments, a constant steady payment for capacity to produce electricity and a separate payment for the electricity they produce. But the devil will be in the details because the regulations and the market rules are not finalized.

Bill 13 is just a legislative framework to make this market happen. No one wants power plants that ratepayers are paying for to remain idle and not run, like they have in Ontario. No one wants the disaster that is Ontario's electrical system. While Bill 13 appears to be necessary, Bill 13 remains deeply flawed. I'm aware that the industry has been speaking with the minister and the Premier, demanding amendments. As Bill 13 now stands, companies could be under contract for capacity, receiving payments for that capacity, but the companies can then deny the provision of electricity. This has the effect of spiking the electricity prices, same as in Ontario, Mr. Speaker. This cannot be allowed. Paying for capacity and then denying electricity is simply wrong. We cannot wait for regulations or market rules to come in to fix this oversight.

4:50

Mr. Speaker, there are other parts of Bill 13 that do not deal with the capacity market, and the feedback from stakeholders is not positive, particularly with respect to implementing the 2006 Supreme of Court of Canada's Stores Block decision.

Due to those reasons, there will be opposition to Bill 13 from myself and my caucus colleagues. Thank you, Mr. Speaker.

The Acting Speaker: Any other members wishing to speak to Bill 13? The hon. Member for Grande Prairie-Wapiti.

Mr. Drysdale: Thank you, Mr. Speaker. I rise to speak to Bill 13, An Act to Secure Alberta's Electricity Future. The NDP have not learned any lessons about tinkering with Alberta's energy market. Each time it plays around with the system, it gets a jolt, and instead of leaving it alone, it insists on going in and trying to fix its most recent mess. Its intentions, it tells Albertans, are for their own good. Albertans just want them to let it be, but here we go again with Bill 13.

Let's go back to the beginning of this cascade of problems. It began with the carbon tax on heavy industrial emitters. The targets, of course, were the coal-fired generating plants. The carbon tax, which was a surprise to everyone, by the way, resulted in companies opting out of their power purchase agreements because the government had made them uncompetitive. The NDP feigned outrage that the companies were doing what they were legally allowed to do. Albertans were flabbergasted. They, too, had to pay this tax, and they understood that it could push a company out of the province.

Once the PPAs had been handed back to the Balancing Pool, the system was in precarious shape. It was costing the Balancing Pool up to \$70 million a month as electricity prices plummeted. In 2016 the pool lost an amazing \$2 billion. The government, now desperate, lent it hundreds of millions of dollars, and I'm sure you're not surprised to learn that consumers are on the hook for that money.

Mr. Speaker, I'll get to Bill 13, but before I can, we have more of a mess on the way before it rises into the picture. The NDP already knew that Alberta was going to phase out coal-fired generating plants, as required by the federal government, by 2029. That's a little more than a decade away. It was a well-reasoned plan that Albertans were onboard with, as were the companies, but that wasn't good enough for an ideological NDP government. As usual, it needed to push the goalposts. It decided that the six remaining coal-fired power plants had to go, too, even though some were state-of-the-art, new facilities.

We have that continuing controversy as the NDP tries to push its way to renewables in record time and chooses not to care one whit about the energy efficient technologies that are turning progressive countries like Germany back to coal. But as far as the NDP is concerned, none of that matters, nor do the communities that expected their coal plants to be operational for many decades yet.

In the meantime, the UCP became so concerned about all the tampering with our system that it sought the assistance of the Auditor General to determine the full costs and implications of the PPA losses, the province's decision to phase out coal-fired electricity, and its cap on electricity rates. It's quite clear, Mr. Speaker, that it's quite a mess.

Into all this mix comes the NDP's renewable electricity model. Modelling indicated that it would be problematic for all generators. AESO warned that the system would be compromised. But what did this mean to the NDP, which was continually pushing a plan that it was going to make work no matter what? Clearly, it meant little. It pressed through Bill 27 in the fall of '16 and set a firm target for renewables. Alberta's electrical system was compromised, and now the NDP are jumping into the deep end to create a capacity market and to do it in a hurry. The reforms continue and continue and continue.

Now the NDP is designing a new market, a capacity market, and at a time when no one knows the fallout from its last round of changes. The Energy minister actually said in the Legislature, “We have spent a lot of time in fixing a system that was broken for a number of years.” Who said that it was broken besides the NDP? Has anyone asked them to fix a system that wasn’t broken, a system that was evolving as planned? Does anyone have any faith that they can set this ship right again? They just keep pitching it from side to side. Albertans are confused and very likely have simply opted out of trying to follow this story, a new bill to fix the electrical system. They are thinking that they just want to go back to the way it was. Instead, we have a government that is trying to fast-track this capacity market.

Not only that, this bill allows the government to create much of it through regulation. Once again, Mr. Speaker, Albertans are at a loss. They don’t know what the NDP is doing. They don’t want them to do any more fixing. They do not know what’s going on, but they sure in heck don’t trust the NDP in taking care of their best interests.

It’s clear that I do not support Bill 13, and I do so for the sake of Alberta. You know, we finally had the electricity prices down to \$2.90 or less than \$3, and the generation market was working. It takes years to build that capacity, and we finally got there. We had the capacity, and that’s what drove the price down. Now with all these changes companies aren’t building that capacity anymore, and capacity is going away with the coal. We’ve got rising prices. I don’t see where the capacity is going to come back. I support green energy, and I support doing things better, but we’re not going to get that capacity back. The prices of electricity are just going to continue to go higher and higher for Albertans. That’s the reason I cannot support this bill.

Thank you, Mr. Speaker.

The Acting Speaker: Any questions or comments under 29(2)(a)? The hon. Member for Edmonton-Whitemud. Standing Order 29(2)(a) if I’m correct.

Dr. Turner: Thank you, Mr. Speaker. I’m rising under 29(2)(a) to make some comments and ask questions of the previous speaker. I was somewhat surprised, given the previous speaker’s experience in government, that he is so much in favour of this very unique system that we had here in Alberta, that the previous government had done. In fact, it goes back to the government of Premier Klein, who, in a very, I think, unfortunate spasm of what we were hearing earlier in another debate about small government, decided that there should be total deregulation of the energy market in this province.

You know, the previous speaker did mention AESO, and it’s interesting. I have a quote here from the president and CEO of the Alberta Electric System Operator, David Erickson.

After thorough analysis, the AESO concluded that the current energy-only market will not ensure that Alberta has a reliable electricity system in the future. There has been a growing reluctance for developers to invest in energy-only markets and this global trend was a critical factor in our recommendation to move to a capacity market.

That’s the president and the CEO of AESO.

I’d like to hear from the Member for Grande Prairie-Wapiti – I guess it’s the other Grande Prairie – I’d like to hear his reaction to that quote from the man who is actually leading the Alberta Electric System Operator.

5:00

Mr. Drysdale: Well, Mr. Speaker, you know, whether it’s in agriculture or forestry or any industry in Alberta, prices are dictated by supply and demand. It’s pretty simple. The more supply you’ve

got, the prices go down, and the less demand you’ve got, the prices go down. If you have a lack of supply and a high demand, the prices are going to be high. Pretty simple. That’s why, with the deregulation of generation of power, companies were making money generating electricity, and they built additional generation because the business was there and the plan was there. But when you add generation, the price goes down, and it takes years to shift that supply. We finally got to the point where we had a good supply of power in Alberta, and of course you know what the price was. It was less than \$3. As soon as you now shut down the cheapest form of power we had, which was coal, the supply goes down and the price is going up, and I don’t see that turning around lots. Our price is just going to keep going higher and higher.

One of my closest friends, an accountant, by the way, was on the AESO board. Maybe you were friends with the chair, but I was good friends with a guy on the board who explained to me how this was working. The board was very upset about how all of this went down, and I think you’ll see that most of those board members have left. I don’t even know if any of them are there, and I’m not even sure if the president is still there, the guy you quoted. Most of them were either fired or left on their own because they saw the mess coming and they didn’t want to be left holding the bag. My friend told me that. He got out of there because he saw the disaster coming from these changes.

I just can’t understand all these changes, when you’re taking away capacity and the generation. I mean, green energy is great. It’s been said that the wind doesn’t blow all the time and that the sun doesn’t shine all the time, and when the demand is needed, it’s needed, and it can’t wait. If you take that baseload out of there and take capacity out of there, the price is going to go up, and I’m really afraid for the citizens of Alberta, what their power bills are going to be over the next few years. Once you lose that, once you shut those plants down, you can’t turn it around very fast.

Thank you, Mr. Speaker.

The Acting Speaker: All right. With 10 seconds left I don’t assume there’s anyone under 29(2)(a).

Any other members wishing to speak to Bill 13? The hon. Member for Edmonton-South West.

Mr. Dang: Thank you, Mr. Speaker. It’s really my pleasure today to rise and speak in second reading to Bill 13, An Act to Secure Alberta’s Electricity Future. I’m cosponsoring this bill, and it’s something that I’m very proud that our government is doing to look out for everyday Albertans and make sure that Alberta has a reliable and stable energy system.

Now, in November 2016 the government committed to modernizing Alberta’s electricity system to ensure we continue to deliver reliable energy, attract investment, and prepare for a low-carbon future while protecting from that price volatility. I believe that this legislation does that. This legislation encompasses five key things. It encompasses the transition to the capacity market, the disposition of utility assets by regulated utilities, changes that enable existing and useful transmission policy elements to be captured in the appropriate regulation and legislation, small-scale and community generation, and the specified penalties for energy service providers. I think all five of those elements are really important pieces that we are bringing forward in this legislation, Mr. Speaker.

When I look and hear members opposite talk about how they had this great energy-only market that served all the needs of every single Albertan, I’m sorry to say, Mr. Speaker, that I think they are really wrong. That system was broken. For years Albertans were living with uncertainty and the worry that month to month their bills

could spike. Their bills could fluctuate wildly, and that anxiety was forged from examples and history. In the five years before this government formed government, we had seen spikes over 15 cents per kilowatt hour. Months that shot over 8 cents, over 10 cents, and even 12 cents were not uncommon. How could we expect families to afford those sorts of spikes, families that lived month to month afraid that their power bills would spike suddenly and without warning? How could any responsible government stand by and let this happen? How could any government not have sense or compassion to address this problem? That's why this government capped electricity at 6.8 cents, less than half the rate customers endured under the market system we inherited from the previous government.

Mr. Speaker, we know that that rate cap is only a temporary measure. We know that when you inherit a broken system, a Band-Aid solution isn't going to fix it. That's why this legislation is coming forward. Let's be clear: there was a real problem, and the problem was dire. The government engaged a number of experts who obtained analysis and feedback from many jurisdictions, developers, investors, and lenders around the world, and the conclusion was crystal clear. Alberta's energy-only market was no longer attractive to investors.

In fact, I've got a couple of quotes here, Mr. Speaker, for you. Why don't we look at Dawn Farrell, who is the president and CEO of TransAlta.

We welcome a shift to a capacity market in Alberta. It will enhance our ability to make investments in existing and new generation to the benefit of customers and other stakeholders in the services we provide.

When we have some of our largest electricity companies in the province welcoming the shift to a capacity market, I think we're on the right track. I think that we can say that the government is doing the right thing. We're working with the industry to make sure we have a market that works for Albertans, that works for families, and that works for our corporations that we work with.

Mr. Speaker, when the price spikes were going on and on and on, it was a system that wasn't only risky for families, but it was something that was unattractive to investors. It was unattractive to investors, who wanted a reliable energy grid. Price spikes weren't the only risk. Our system operators couldn't even be given assurance that we would have the supply necessary to keep the lights on. We were handed this really broken system, where we didn't know on any given day of the week what the price may be or whether we would actually have that power when we needed it.

By enabling development of a capacity market, I think Bill 13 takes a very crucial step in implementing the fix. Now, Mr. Speaker, again, that move was not made lightly. Unlike what members opposite would want you to believe, the move to a capacity market was recommended by current and potential energy investors, external experts, the Alberta Electric System Operator, who actually asked for this change. The reason they recommended it is because a capacity market is seen as a safe, reliable, sustainable, and affordable electricity model. It provides consumers with that greater price stability. It makes room for competition and innovation and private investment while providing revenue certainty for investors. It's a made-in-Alberta solution that benefits our consumers and our investors.

I understand that Bill 13's amendments relate to the capacity market over four broader themes. The first is to create that long-term policy certainty that investors need. The second theme is about clarity and authority. Alberta's electricity agencies will have extended duties and responsibilities that include that capacity market.

So when we talk about these issues, we can see in that second theme that the updated duties of the Alberta Electric System Operator include operating and managing the capacity market. I think that's a really important thing for consumers to look at because it adds review and approval of capacity in the energy market to the AESO and the Alberta Utilities Commission, and it extends the duties of the Market Surveillance Administrator to include surveillance of the capacity market.

It brings in these new tools for the AESO and the MSA and the AUC. We want to be able to go out and say that we have a system that is working for companies and working for consumers and that it's fair, that it's fair in a way that allows us to make sure that specified penalties are fair, for example, when energy service providers step out of line but also fair in a way that makes sure that those penalties are dynamic and work with the corporation. Every single step of the way, when we work with these companies, we make sure that it's a system that everybody can get onboard with.

The third theme that I think these amendments address is the enhancement of public oversight in the development of the market. Bill 13 will require that all new or modified market rules be reviewed and approved by the AUC. Now, when new rules are recommended, the Alberta Electric System Operator, AESO, will need to bring them before the Alberta Utilities Commission and satisfy the commission that they are in the public interest and support reliability and a reasonable cost to consumers.

[Ms Sweet in the chair]

I think that's a really important thing, Madam Speaker. I think it's really important because when we talk about bringing new rules forward for our regulators, we need to make sure that we have as many eyes on that as possible, public eyes that can look at it and say: "Are these rules reasonable? Are these rules in the interest of safety and reliability of our system?" This is really important. I think that these amendments that we're bringing forward are going to bring the necessary rules into place before the start of the first auction process.

5:10

The final theme that I think is really important is stakeholder participation. I think stakeholder participation and consultation is one of the most important things any government can do, and it was one of the things where, when this government moved forward to transitioning to a capacity market, we ensured that the transition would be open and transparent, that it would be open and work with our stakeholders every step of the way through the process. I'm very proud that the government consulted with industry, consumers, and stakeholders in the market. I think that's just, frankly, good governance, Madam Speaker.

I'll give you another quote here, from Terry Boston, who's the former executive vice-president of power for the Tennessee Valley Authority and the past president and CEO of PJM Interconnection. He said:

I spent the last eight years of my career as the CEO of PJM Interconnection, which has a mature capacity market structure. Private investors from around the world have built over 30,000 megawatts of new generation in PJM under this market structure, which kept the lights on at stable prices. Investors have shown a growing reluctance to invest in the riskier energy-only market designs around the world, preferring the price stability and revenue certainty provided by a capacity market structure. I am confident this model will work well in Alberta too, ensuring future stability in your admirable and smooth transition to a lower carbon electricity system.

When we consult with people who have been involved in the industry around the world and when we consult with people who

have seen capacity markets compared to energy markets, when we consult with companies in Alberta, when we consult with companies around the world, we see that they agree that a capacity market is the way to move forward. A capacity market is the type of system that is reliable and sustainable for consumers and for the companies. It's the one that we can agree is the best way to move forward. That's something that I think the government did a very good job of doing, consulting with these stakeholders who have experience in this matter, who know the history of this matter and are able to move forward in this. I'm very happy to see that this legislation would continue to require consultations with market participants, other interested parties, and the Market Surveillance Administrator when rules are developed.

I think Bill 13 is abundantly clear. It does a good job of transparency. It does a good job of accountability. It does a good job of stakeholder participation. And when we compare that and we compare the checks and balances that are coming in, like the minister spoke about, things like the specified penalties, when we talk about things like this, we can see that it was a significantly more engaging consultation than even the deregulation that was done two decades ago by the Conservative government, and we can see that our government has done a much better job with these issues.

I think we talk about these issues over and over and over again, and many Albertans ask: "Well, what does that mean for me at home? What does that mean for me and my family?" I think it's really clear that Bill 13 brought forward something that really does speak to families, which is those specified penalties. When we talk about how specified penalties speak to families, how that works, it's by addressing concerns over incorrect power bills. It's an issue in customer service from electricity and natural gas providers that the Utilities Consumer Advocate, or the UCA, actually receives thousands of complaints about every single year, Madam Speaker.

Now, I know the opposition doesn't really care when consumers complain about companies, trying to make concerns like this known, but this government does, Madam Speaker. I know that they would rather see complaints just be filed away in a drawer forever, but I think this government really wants to address those issues.

We talk about these, and I want to say that currently what the AUC, the Alberta Utilities Commission, has is the ability to issue a penalty to electricity and natural gas service providers for particular breaches. The penalty is only available through a formal hearing process, and it's really burdensome for individual breaches. When we're talking about individual cases of one or two consumers, that can get kind of flaky in terms of: it's a very large process. When we're talking about thousands of consumers, Madam Speaker, I think that adds up really fast, which is why, when we talk about how fast these add up and how distressing this can be for consumers, it's important that we have a system that can move quickly and can address those issues on a broader scale.

I'm very confident the commission will develop the specified penalties rules in consultation with stakeholders to ensure that they are clear and that the penalties are very fair. It's also important for consumers to know that the utility companies are accountable and can be penalized for their violations of rules relating to service.

Madam Speaker, I know that there are so many great things on the principle of this bill that I want to speak to. There are so many things that I want to speak on on how important this bill is going to be. I know that all of these things we talk about are going to provide a stable and reliable energy system for Albertans, and it's going to provide a stable and reliable energy system for our consumers.

I'm running a little bit short on time here, though, Madam Speaker, so I'm going to table that for another time. I'll come back to it when

we get into committee and into our third reading, but I'll at this time move to adjourn debate on the matter.

Thank you.

The Acting Speaker: Thank you, hon. member.

[Motion to adjourn debate lost]

The Acting Speaker: Are there any members wishing to speak?

Mr. Cooper: On 29(2)(a)?

The Acting Speaker: Oh, 29(2)(a). My apologies. The hon. Member for Olds-Didsbury-Three Hills.

Mr. Cooper: Why, thank you. It's a pleasure to rise. I just have one very quick question for the member. Earlier this evening we heard the minister speak at some length about how this particular piece of legislation makes changes to the rules around the MSA, which is the market surveillance agency that provides oversight to these sort of industries. As you'll know, Madam Speaker, that position has been vacant for well over seven months. I'm just curious to know if the member thinks that it's important that if we're changing the rules, we might want to have the head of that organization in place to be able to provide some feedback and input on such an important piece of legislation, that's making widespread, sweeping changes to a very important industry here in the province of Alberta.

As you know, Madam Speaker, the government has been very quick to rush some processes but not others, so I'm curious to hear what the member might have to say about this particular issue and whether it's important that we have someone that oversees this very important organization at a very important time such as this, when the government is essentially making a complete mess of the electricity system.

The Acting Speaker: Thank you, hon. member.

Hon. member, do you wish to respond? The hon. Member for Edmonton-South West.

Mr. Dang: Thank you, Madam Speaker. I think that when we talk about things like complaints to independent agencies like the MSA, it's something that I'm really happy to speak about because it's something that – when we look at the system and we look at what's happened and we look at what's happened since electricity was deregulated under the Conservative government, Albertans have been experiencing a price roller coaster. They've been exposed. I think that what the government is bringing in is fixing that. It's fixing that with common-sense reforms that are going to reduce that uncertainty. It's going to reduce that price spike now and in the future. When they want to get up and talk about how much they care about consumers and how much they want to look at these issues, I want to say that our government capped energy bills to protect Albertans from price spikes. Our government implemented common-sense reforms to reduce uncertainty.

Now, the people over there, Madam Speaker, would go back to insider deals that cost Albertans more. Their deregulation policies caused a price roller coaster for Albertans. I think that when we look at the history of what's gone on here and we look at who's the one that's really looking out for Albertans, I think that picture becomes very clear.

Now, as we move on with updating the energy market, I think that we can again show that the energy-only market is very broken, Madam Speaker. We can look at even everyday Albertans who expressed their frustration with the broken market to their MLAs. I've got some quotes from *Hansard* here, where you can see: "How can anyone budget for such fluctuations in the price per kWh? Why

are there such dramatic changes reflected in each bill?" That's one quote.

5:20

Another quote is:

The fact is deregulation benefits only the utility companies – not the consumers . . . Those of us who are on pensions, on disability allowances, single parent families, & the working poor – among others – are adversely affected by what can only be called unbridled greed!

When I look at even what was said in this House just a few years ago, in 2012, I think it's very clear that the system the members opposite would like to go back to, the system that they think was the Holy Grail of the electricity industry, Madam Speaker, was completely failing consumers. It was something that brought Albertans to have to complain to their MLAs about having dramatic swings in their bills.

When we look at those issues, I think it's very clear that this government is moving forward in bringing in a system that works for consumers. The updates to the MSA and the updates to the system as a whole reflect that. When we talk about all these different types of issues, we need to know that the government has your back, that when we update the energy system and we bring in these new market changes, the government has your back. I think history shows us very clearly that the Conservative government did not have Albertans' backs and will not have Albertans' backs in the future, Madam Speaker. I think it's something that Bill 13, as we move forward with updating our electricity system, shows really clearly, that we care about everyday Albertans.

Thank you.

The Acting Speaker: Thank you, hon. member.

Are there any other members wishing to speak? The hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Speaker. I just wanted to start off my conversation here just with a little bit of interesting information. Under the deregulated market we had this very interesting factor happen. It's called zero utility debt. That is something that this province is or was extremely proud of. No process is perfect, I'll give you that. There are certainly things that could have been done and changed.

But if we're actually going to talk about where this legislation is coming from or why it was brought forward – the member opposite had mentioned that it was a broken system. Well, this bill is a result of other bills that have completely changed this entire market and without the foresight of understanding what those changes would bring forward. I mean, I can appreciate the government's attempt to try and address the litany of problems that is resulting from these destructive policies on the electricity file, but I'm shaking my head because the only reason why we have to have this bill come forward is because the government mishandled this file from the get-go. We just have to go back to bills 27 and 34. For those of you who were here, those were some very, very, very late night discussions along the lines of why those bills weren't going to work and the fundamental changes that were going to happen that are actually going to bring us into debt, that will actually fundamentally change the way that electricity moves forward here.

The other thing that's interesting – and, you know, I'd like to bring this up as well – is that the member had mentioned the MSA and about having an overseer of the market surveillance. This is a very major issue. Seven months is a very, very long time.

But on top of that, let's just talk about market transition for a moment. If you're looking at what that transition is going to look like, the impact that it might have on competition, we're also talking

about efficiency. That's actually been a core piece of the electricity file in this province, efficiency, which is something, actually, that the government hasn't talked about at all. They've talked about stable and reliable, which is interesting given that we're talking about bringing renewables online. When the wind doesn't blow and the sun doesn't shine, we have to double-build for all of those kinds of things in order to have a baseline power in order to make sure that Albertans have stable and reliable electricity at all times.

But what about efficiency? The efficiency piece has been left out of this discussion quite significantly, and if we're talking about the market transition, if we look at – it's an interesting conundrum here because in 2015 the question was asked by this government: can the electricity market structure accommodate significant levels of renewable generation and an evaluation of carbon policy options for the Alberta electricity sector? Now, that was done, actually, before the climate leadership action plan came forward. It was done previous to the carbon tax. These questions were asked previous to the climate leadership action plan. With the climate leadership action plan, then, the decision was made to go towards a capacity market, all to make sure that there was an availability to bring renewables online.

Now, interestingly enough, the past bills that I was talking about gave extraordinary – extraordinary – powers to the Minister of Energy to be able to bring renewables online without debating it in this Legislature, without allowing Albertans to know what was going on, to be able to hide it under a capped amount of 6.8 cents.

Actually, speaking about that, the 6.8 cents, interestingly enough, if we're talking about the cap on the regulation piece, it's interesting that if it goes above 6.8 cents for any particular reason, those places, Medicine Hat – this is the deferral account statements. If for some reason we go beyond the cap of 6.8 cents, the REAs and Medicine Hat and anybody else who is impacted by that will be compensated by the government. I'd like to understand what that is, how much that's going to cost, and what would allow that cap to even be surpassed considering it's considered a cap but actually is written here with the retail rate cap regulation. Should that be surpassed, those places will be compensated by the government. What does that mean? What does that mean to the ratepayer? The ratepayer and the taxpayer are all the same person, Madam Speaker.

When we talk about bills 27 and 34 from the last session and how they fundamentally changed our electricity market – we have the closing of six coal-fired power plants to convert them to natural gas at a cost to the Alberta taxpayers at that point in time of \$1.36 billion. The more concerning piece of this is how this project, this mismanagement of this file has decimated some of those communities. You just have to talk to some of those families and be able to sit with them for a little bit to understand what that actually looks like and what that feels like. They relied on those jobs in those local power plants to pay their mortgages and to feed their kids and to save for retirement. For months and months and months at that point in time, I mean, they heard crickets from the government about what would happen to them when those plants would close, and then the residents faced unemployment.

Even more so, actually, the government has taken away the equity from these people. They can't sell their homes. Their properties are valueless without having those job propositions, those job opportunities there. Congratulations. Those communities are no longer economically viable without those plants. Now, we were already set for those plants to end. There was already a plan to do that. What could possibly have possessed this government to think that that was okay? That is not having the backs of Albertans, Madam Speaker, not even close. Maybe you should go and sit down and have dinner with some of those folks and find out what is actually going on in their lives, how they feel, how that's impacted

their families, their children's education, their ability to raise their families in the places that they planned on being in for some time. That's the ripple effect of this kind of policy.

Remember, folks, zero utility debt. That was the outcome of the deregulated market. The government has forced unpredictable renewable electricity on Albertans with little forethought of the costs and implications to the taxpayers and ratepayers down the road. Lookit, I love renewables. I mean, I've said this probably at least a hundred times in this Legislature. I have solar panels all over my house. I think they're fantastic. But it needs to resonate with people, and I believe they need to have the choice and the understanding of what they're paying for. We owe that much. I mean, when we talk about bills 27 and 34, the words "transparency" and "accountability" were removed – they were removed – from the actions of the minister under those pieces of legislation. She need not tell Albertans what she's doing at any time. Wow. That's really having Albertans' backs.

5:30

The Minister of Economic Development and Trade then – and this is during when these coal plants were being shut down – showed up with Mr. McGowan and the AFL on a full speaking tour in these areas. That was interesting. It was interesting to hear the comments from that. But I think that reasonable policy is not far fetched in this particular situation. I mean, if you look at a lot of these large emitters, a lot of these large companies, many of them, given the incentive that coal would be phased out later on, had the incentives to look to renewables and the time frame to actually bring those things online in a way that is conducive and reasonable for the people of this province.

I mean, you talk to any Albertan. They care about their earth, air, and water. They don't need government to make that decision for them. That's obvious. So why not trust in the people that put you here that they're going to make the right decisions given the right opportunities? There are a thousand other ways that this could have happened, but this bill is a result of the mismanagement of this file, the combination of a system that phased out coal-fired power and introduced wind power in way too tight of a time frame.

I can appreciate the mentality of what you're trying to accomplish – I really can – but it's caused absolute chaos in the system. It destabilized it to a point that the government needs to now step in frantically to put this back together again. You're saying that it was a broken system? Well, it's been broken even further. If there were issues with the system as it was, fix those issues. Nobody was saying that there weren't problems. Absolutely, Madam Speaker. But to break a system by breaking it again in about a thousand other ways gives so much pain and hardship to the people of this province. This file is the downfall of this government.

People who didn't understand anything about electricity now can tell you what a PPA is. People who didn't understand before how it worked and all that have now become savvy. This is a regular discussion at the doors. People who understood – they might have not been happy with the fluctuations before, but it was transparent. You could look at your electricity bill and know exactly what you were paying for. You might not have been particularly thrilled about it at any given moment, but you knew.

Now under the auspices and the smoke and mirrors of stability, the government is going to charge its own rate to bring these things on. You may not see it in your electricity bill, but you're going to see it in your property taxes, your business taxes, and everything else. There are about a thousand other different places that the government can make up and compensate for what they're supposedly giving to Albertans.

Truly, with all my heart, I actually believe Albertans would really, really have loved the opportunity to look at how to bring renewables online, but those large emitters, the ones that the government talks about, that supposedly wanted this change, were already prepped and ready to be able to bring renewables online. They had the dollar figures. They had the transition plans. If the government had taken the advice of the experts in this industry and slowed it down for a more measured transition to renewable energy, this market wouldn't have had to have been compromised so severely, Madam Speaker. But they were so eager to prove themselves to their friends and to Trudeau that they rushed into renewables and destabilized this market, that had run largely without incident for decades under the previous government.

I think the most concerning thing right now is that the watchdog of this electricity portfolio is not functioning. There is nobody watching over what's going on right now. For example, I mean, if we're talking about compliance – the member was talking about compliance and rules and reliability standards – I mean, since 2008 the MSA has collected \$1.7 million in financial penalties, and those are just the small ones. These aren't the large ones, okay? This was what their job was.

So I'm curious. The minister had mentioned that the government now is going to be – I'm sorry; I don't have the benefit of the Blues in front of me – working with the compliance piece of it to make sure that there's accountability so that if there are penalties, the government will now be in charge of that. So is the MSA actually going to be reignited, or is the government now providing that oversight as well?

My question, I suppose, is: is the MSA actually going to still continue on as an independent body to be able to hold all of these new things that are coming on accountable, that nobody knows about because it's under a piece of legislation that nobody knows about and nobody gets to find out about? Is the MSA now going to be watching that market on our behalf for things that nobody understands are within the auspices of that legislation, or is it going to be replaced by government oversight? If I understood the minister correctly, government oversight seems to be the direction that we're going. If somebody can answer that for me, I would be extremely grateful. I'd love to find out that that's not the case.

I think, too, that we have some really great crossjurisdictional information about other provinces that haven't done well with this. I mean, we only have to look to Ontario, right? We see families that are just suffering like crazy, and we want to make sure that that doesn't happen to our families here. Let's at least learn that much from other jurisdictions that have failed. You have the time to turn this around.

With that, I'd like to adjourn debate.

The Acting Speaker: Thank you, hon. member.

[Motion to adjourn debate carried]

Government Bills and Orders Committee of the Whole

[Ms Sweet in the chair]

The Deputy Chair: I would like to call the committee to order

Bill 15 Appropriation Act, 2018

The Deputy Chair: Are there any comments, questions, or amendments to be offered in respect to this bill? The hon. Member for Highwood.

Mr. W. Anderson: Thank you, Madam Chair. I rise today in the House to speak on Bill 15, the Appropriation Act, 2018. When the government introduced their budget earlier this session, Albertans for the first time could actually see the recklessness and carelessness of the government's finances. This year alone almost \$9 billion is expected to be added to the provincial debt. I constantly hear from my constituents, who express great concern over the direction of the provincial finances. They wonder how we got into this predicament. For many years we were a province that was the envy of Canada in terms of our finances. We had no debt and a balanced budget. How were we able to do this? We lived within our means and ensured that our fiscal decisions allowed for economic prosperity for all Albertans. We had a flat tax, the lowest corporate tax, and no sales tax. Under this government income taxes have gone up, corporate taxes have gone up, and the government has rolled out a massive job-killing carbon tax, which has driven away massive amounts of investment.

Now Albertans are asking questions, and they have every right to be concerned. Does the government really know what they're doing? Alberta is no longer unique in the Confederation. Its finances are just as bad if not worse than any other province. Alberta was once a bright light for opportunity and investment in this country, in Canada, but now those investors are looking for opportunities, and they're looking for opportunities elsewhere. Billions of dollars of investment have left this province, but, really, who can blame them? Nothing about the current budget gives investors any confidence that Alberta is open for business. In fact, Alberta's stellar credit rating has been downgraded. I think it's been downgraded at least five times. What happened to the Alberta advantage? This is what made Alberta special, and I'm disappointed that this is no longer the reality for our province.

5:40

Madam Chair, what is the government's plan? Well, they've increased taxes on Alberta families, yet they still can't balance the books. At this current rate the provincial debt will be \$96 billion by the middle of the next decade, almost a ninefold increase from when they took office. What will it cost us to service this debt? Just shy of \$4 billion. It's hard to imagine how many teachers and nurses could be hired with that amount of money. Instead of being able to use this money to provide services that are important to Albertans, this money is going toward paying off creditors, going to the banks, going to financial institutions, billions and billions of dollars in interest payments. Oh well. What can I say?

Further to this, how are we expected to pay back this money? It's not something that we can recover from quickly; rather, it will take generations and generations to pay back this debt. Our children, our grandchildren, my grandchildren will be the ones stuck paying back this government's fiscal mismanagement.

This government is taking Alberta off the fiscal cliff. If we continue on this path, by 2024 the debt per capita will be over \$20,000 per person. So what's the plan? Is there a strategy? Is there a debt paydown strategy? No. How are we going to get back to a balanced budget? This government has failed to provide us with adequate questions and answers.

This government needs to realize that raising taxes and spending more is not the answer. Ever since the government raised taxes across the board when they took office, tax revenues have actually gone down. Maybe there might be a correlation between tax rates and the amount of investment in our province. As I said earlier, Madam Chair, our records show that billions of investment dollars have left this province, and they've moved elsewhere. They're not coming back for a while.

With this economic downturn, coupled with this government's tax increase, Albertan families have had to tighten their belts and restrain spending. That's the rationale. Is that the rational thing to do? Can our government do the same thing? Can they do the sensible thing? Now, the government said that they would rein in their spending; however, expenditures keep going up year after year. Ninety-six billion dollars in debt. Four billion dollars to service the debt.

Now let's talk about the carbon tax. The government promised us that if we instituted this massive tax grab on families, we would get a magical thing called social licence. This apparently would silence all opposition to our oil sands and would give us the ability to get our products to market. As of today has this happened? No. With the Trans Mountain expansion hanging on by a thread, being stopped in its tracks by protestors, professional protesters, I might add, has the carbon tax really done anything to achieve the so-called social licence? I wonder if I can go to the registries office and buy a social licence. Not sure. I didn't get my renewal.

Believe it or not, raising taxes and increasing the cost of living for Albertan families doesn't actually get rid of the opposition to our energy products. Protesters who are setting up camp by the Trans Mountain expansion site didn't all of a sudden wake up and say: "Oh, Alberta has a carbon tax. Now I guess we'll change our minds on this project and pack up and leave." That is ridiculous thinking, and it goes to show that there's no such thing as social licence. The protesters exist to push back on Alberta's energy market and our energy products. Trans Mountain is on a thread. Now, I hope that at the end of the month we have good news, but I suspect that it might not be so.

We were first told that the revenues from the carbon tax would go into special green projects or be given back to Albertans in the form of rebates. However, we now know that beginning in 2021, the government plans to direct revenue from the carbon tax into general revenue, which is general spending, which is, I guess, padding the books. A tax on everyone. A tax on everything. This shows that the carbon tax is just nothing but a tax grab on Albertans and Alberta families.

People are hurting. People in my constituency are hurting. People have lost their jobs. Our economy is not doing well, and adding more taxes is not helping them. It's hurting them. Adding more money to the deficit and to the debt is not helping this province, and it's not helping our future generations. The carbon tax is just disguised as a tool to support the reduction of greenhouse gases, but in reality it's a tool used to help pay for this government's out-of-control spending.

Now, the current government likes to state that they're a government that supports families, but with this budget is that really the case? When I talk to my constituents, rest assured that not many of them talk about the benefits of the carbon tax. They talk about the negative aspects of the carbon tax, a tax on everything, a tax on all transportation, goods, products, and services. Every day people see that the cost of everything is increasing. It's going to continue to do so: \$9 billion in debt, \$4 billion to service the debt. That's \$4 billion which could be used for a lot of good things in this province, not just paying back the banks.

This budget does nothing to encourage investment and get Albertans back to work. Ask yourself how many families are struggling to make ends meet because of the lack of work. How many former oil workers are struggling financially because of this government's inability to get pipeline projects approved? Don't kid yourself. Kinder Morgan is not a guaranteed deal. Energy East is gone. Northern Gateway is gone. You're counting on one pipeline which is on life support right now. How many families are having

difficulty paying this detrimental carbon tax, a tax on everything? Madam Chair, with the budget that was presented earlier this session, it's hard to see how government is truly supporting families.

With that, I believe that I've demonstrated that there are far more questions than answers in this budget. This government seems unprepared to deal with the debt load and the debt that they're giving us, that they're presenting to us, our future children, our grandchildren.

Madam Chair, I'll be voting against this budget. Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak? The hon. Member for Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Chair. I'd like to stand and speak to Bill 15, the Appropriation Act, 2018. My colleagues and I are profoundly worried about the direction that this government has taken. We have talked specifically about this over the years, about the concern for the deficit and not being able to take measures necessary to be able to get the spending under control. A province that was once the envy of the Confederation has now been stifled both politically and economically and is projecting deficits every year up until 2023 to 2024. This is unacceptable, not just to me but to most every Albertan that I speak to.

Disastrous ideological decisions have been made by this NDP government over the last three years, and they have taken a struggling economy and made things harder for Albertans. Taxpayers are now on the hook for a massive debt that will hit nearly \$100 billion by 2023-24 if the NDP are given a second term. This, by the way, is a 78 per cent increase from the 2018-19 budget. It's deplorable, Madam Chair.

5:50

The economic situation in Alberta is in such a bad state that once-thriving and -prosperous companies have decided to pack their bags and head south, leaving countless people without employment. As I speak to different businesses throughout this province, I am shocked to see how many people, how many of these businesses are saying that they are going to leave. I ask them not to leave and to believe in Alberta once again and to hope that in 2019 this will be a government one and done.

It's a sad state when we face many Albertans who tell us daily that they have given up looking for work altogether. While some have been fortunate enough to find employment, they are now working for a fraction of what they once earned.

According to Statistics Canada in a labour force survey in March of this year, zero full-time jobs were created and only part-time jobs increased. These are the real-time statistics, Madam Chair, that this government uses when it announces that jobs have increased. They seem to leave out critical details. In that same survey it states that there were 156,500 unemployed Albertans, 17,300 more than when this government took office. Also, there are nearly 44,000 unemployed youth in Alberta. The youth unemployment rate is 13.3 per cent, the highest outside of Atlantic Canada. Again in the same survey: youth lost 2,400 full-time jobs, that were replaced by only part-time employment.

I've had an opportunity to speak to a couple of businesses, and one of the concerns that they have with these policies that have been cascaded from this government is that they feel like there's death by a thousand cuts in that the labour laws have been changed, the minimum wage has gone up, and that exacerbates the economic challenges that these businesses are facing. A lot of these businesses

have indicated to me that they can't hire young people between the ages of 15 and 24 because they do not feel that they have those margins in their business to be able to provide that training wage that these young people would need, and because of that, we're now seeing 13.3 per cent unemployment amongst young people.

Again, as the Labour critic I've asked the Labour minister many times, you know, whether she had done an economic impact study. Unfortunately, the response that I received was that the economic impact study would not be done but that she would assess as she goes. Well, we've had three years now of these types of policies coming forward, and I think that at 13.3 per cent youth unemployment, the evidence is clear that the policies are not working, that they are not really helping the young people like originally designed or intended. This is just one aspect of businesses that are struggling to be able to make ends meet.

Now, when this government talks about increasing jobs, we know that they are talking about jobs that were once full-time and are now newly created part-time positions. That is all businesses can afford. In March of this year, while population numbers increased, the size of the labour force actually decreased by 500 Albertans. These statistics tell the real story about the economic picture here in Alberta.

In reality it's no wonder that the NDP will have to use the proceeds from the carbon tax and apply that to general revenue since they won't be able to get the revenue they need from other traditional avenues. The traditional avenues I'm talking about are where this government seems to not get it. I've talked about this before in the House, but I'll say it again. The difference between, I guess, Conservatives and Liberals or NDPs, as is the case in Alberta, is this. For some strange reason the NDP and Liberals believe that the pie, or the size of the economy, is static and that it's their God-given right to be able to take more of that pie and redistribute it. The difference with us on the Conservative side is that we actually believe that that pie is not static, that the pie actually can grow or shrink based upon good or bad policy. History is replete with examples of when good policy and bad policy have been instituted and how that pie has grown or shrunk.

We've seen over the last three years, according to the Conference Board of Canada, \$36 billion, in the first two years of this government, leave this province. That's the Conference Board of Canada. That investment that has left: the trickle-down effect is the loss of jobs.

The only way to be able to fix the problem is to try to throw more money at it – that's called Keynesian economics – try to buy yourself out of the recessions. You know, the truth is, Madam Chair, that I cannot see one example in history where Keynesian economics has actually worked, and here's the reason why. The reason is this. The full formula of Keynesian economics – I'm glad that I've got the attention of the members opposite now; it's good to see that they're paying attention – is that you buy yourself out of the recession but save during the good times. There have been very, very few – actually, the only one who has actually done it is Ralph Klein. He's the one who actually saved . . . [interjections] Again, it's good to know that we've got the attention of the members opposite on this. That is the only time that we've actually seen that happen.

Then we had what we called the \$15 billion rainy-day fund, which this government seems to have spent very quickly in their first three years of operations.

Now, you know what? The truth is – and I go back to my original point, which is that if the government truly did believe in Keynesian economic policy, they would have a strategy of not only balancing the budget but a strategy of being able to, once the economy

actually starts firing on all cylinders, start saving. Instead, what we're seeing is the government waiting until 2023-24 to be able to just balance the budget. Yet every indicator – in fact, even the members opposite have said that we are actually out of the recession. If they are truly going to follow Keynesian economic models, then at that point, once the economy starts to fire on all cylinders, they're supposed to be saving for a rainy day. Instead, what we see is this government continuing to spend exorbitant amounts in deficit spending.

So we find ourselves in a position now where we're sitting at – what? – \$56 billion in debt. I think when they took over, they took over an \$11 billion debt. The majority of that was actually for capital projects, not actually spending for operation. Now we're in a situation where these aren't even just capital deficits, but these are actually debts that are from operational.

Madam Chair, the concern that I have for the government and the strategy and the path that the government is following is that they are not even following the Keynesian economic model, which says that they have got to be able to get back into balance when the times are good and save for those rainy days. Because of this situation, unfortunately, we are now seeing these credit downgrades. We're now seeing a situation where they have no path to being able to get us back to a situation that is going to be good for Albertans.

The Deputy Chair: Thank you, hon. member.

Pursuant to Standing Order 4(4), at 6 p.m. when there is an evening sitting and the Assembly is in Committee of the Whole, the chair leaves the chair until 7:30 p.m.. We are now recessed.

[The committee adjourned at 6 p.m.]

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