



Province of Alberta

The 29th Legislature
Fourth Session

Alberta Hansard

Monday evening, June 4, 2018

Day 37

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

Fourth Session

Wanner, Hon. Robert E., Medicine Hat (NDP), Speaker
Jabbour, Deborah C., Peace River (NDP), Deputy Speaker and Chair of Committees
Sweet, Heather, Edmonton-Manning (NDP), Deputy Chair of Committees

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Deputy Leader of the Official Opposition
Anderson, Hon. Shaye, Leduc-Beaumont (NDP)
Anderson, Wayne, Highwood (UCP)
Babcock, Erin D., Stony Plain (NDP)
Barnes, Drew, Cypress-Medicine Hat (UCP)
Bilous, Hon. Deron, Edmonton-Beverly-Clareview (NDP)
Carlier, Hon. Oneil, Whitecourt-St. Anne (NDP)
Carson, Jonathon, Edmonton-Meadowlark (NDP)
Ceci, Hon. Joe, Calgary-Fort (NDP)
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Alberta Party Opposition House Leader
Connolly, Michael R.D., Calgary-Hawthorn (NDP)
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Cooper, Nathan, Olds-Didsbury-Three Hills (UCP)
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Dang, Thomas, Edmonton-South West (NDP)
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Eggen, Hon. David, Edmonton-Calder (NDP)
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Fraser, Rick, Calgary-South East (AP)
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Hanson, David B., Lac La Biche-St. Paul-Two Hills (UCP)
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Hoffman, Hon. Sarah, Edmonton-Glenora (NDP)
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Vacant, Innisfail-Sylvan Lake

Party standings:

New Democratic: 54 United Conservative: 25 Alberta Party: 3 Alberta Liberal: 1 Progressive Conservative: 1 Independent Conservative: 1 Vacant: 2

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Legislative Assembly of Alberta

7:30 p.m.

Monday, June 4, 2018

[The Deputy Speaker in the chair]

The Deputy Speaker: Good evening. Please be seated.

Government Bills and Orders Committee of the Whole

[Ms Jabbour in the chair]

The Chair: I would like to call the Committee of the Whole to order.

Bill 13 An Act to Secure Alberta's Electricity Future

The Chair: We are currently considering amendment A4. Any members wishing to speak to that amendment? Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Well, thank you, Madam Chair. Great to see everybody on this fine, wet evening. I am rising, of course, to speak to amendment A4. I believe it was moved by me on behalf of the hon. Member for Calgary-Foothills.

The point of the amendment is that the legislation as proposed says that the capacity market “supports ensuring a reliable supply of electricity is available at reasonable cost to customers.” This is not the same thing as: “supports ensuring a reliable supply of electricity is available at reasonable cost to customers” and “supports the fair” – Madam Chair, the fair – “efficient and openly competitive operation of the capacity market.”

Again, under the current legislation it says: “supports ensuring a reliable supply” – reliable and the NDP don’t often go together; that may be some of the confusion – “of electricity is available at reasonable cost to customers.” This amendment would change it to: “supports ensuring a reliable supply of electricity is available at reasonable cost to customers.” Same thing. It doesn’t change what is in the current legislation brought forward by the government, but then it adds: “supports the fair, efficient and openly competitive operation of the capacity market.”

Now, the government has indicated that they will not support that. It is a little troubling – troubling, Madam Chair, but I should say not surprising given this government’s history – that this government would not support a fair, efficient, and openly competitive operation of the capacity market. For what possible reason will the government not support a fair, efficient, and openly competitive operation of the capacity market?

Madam Chair, this is a major change to bring trust back to the capacity market. That is what we’re trying to do. We talked about this last week, before we left for our constituencies, about the need to bring trust back, particularly around the capacity market – that’s what we’re talking about right now – but trust in general because this government has lost the trust of the majority of Albertans. When it comes to the electricity market, because of that lack of trust Albertans are scared. They’re very, very scared. They will probably be more scared of this NDP government when they find out that they’re voting against supporting a fair, efficient, and openly competitive operation of the capacity market.

I think for many Albertans that will reaffirm their fear and the lack of trust in this government because by their vote they’re proving Albertans right. They’re proving Albertans right that they have not changed their ways, that they’re still the NDP government that we

have seen here for the last three years that ignores Albertans and that bullies their way through legislation despite the consequences, sometimes devastating, to the people that they’re supposed to govern. By supporting this, though, then there’s an opportunity for this government to be able to regain some trust with Albertans.

Now, Madam Chair, why wouldn’t you want – not you, of course. I’m sure you would want to support the capacity market to be fair, efficient, open, and competitive. But why wouldn’t the government want to support the capacity market to be fair, why wouldn’t they want it to be efficient, why would they not want it to be open, and certainly why would they not want it to be competitive? We know that the NDP have focused most of their time in office on stacking the deck to their advantage, but they should not do that in this capacity market because there’s no advantage to them. As they try to rig the election system and do those types of things, that won’t be here. All that will happen, if they continue down this path, is that we could end up in a place like Ontario has found themselves, with an electricity market that is devastating their economy, that is devastating investment in their communities, that is devastating manufacturing in their province, and that is devastating everyday people inside the province of Ontario.

The soon-to-be former Premier of Ontario in less than 72 hours: she herself has acknowledged in probably a most unprecedented statement from a sitting Premier in our country’s history that she will not be the Premier in 72 hours. One of the things that she has acknowledged when acknowledging that fact, that she is about to lose the election, was that one of the biggest reasons why she and her provincial Liberal Party have found themselves in this situation is because they messed with the electricity market so much that the people of Ontario seem prepared to wipe the entire Liberal Party down to one or two or zero seats. Possibly the current Premier will even lose her seat. Premier Wynne has said that her greatest regret is how the Liberal Party has handled the electricity market and that this has had devastating consequences.

You know, those are the political consequences to that party, and maybe there will be similar political consequences to the provincial NDP. The problem, though, is that while that was happening, while the Liberal Party in Ontario blindly pushed through their ideological agenda, everyday Ontarians were being punished. You’d watch the news in Ontario and see people that were paying \$1,500, \$2,000, ridiculous amounts of money for their power bills.

Now we have a government in this province who seems determined to do the same types of things or certainly seems determined to continue down the path of not consulting people, not listening to their boss, which are Albertans. I know the NDP forget that. They think it’s the bubble of all their little NDP ideological friends that all hang out together on the weekend. That’s not who they work for. They work for the people of Alberta, from north to south, from east to west.

Mr. Bilous: We don’t hang with them.

Mr. Nixon: Well, you know, the Minister of Economic Development and Trade says: we don’t hang out with them. But that actually is the problem. They only hang out with themselves. They only go home. They don’t talk to people. Because if they went home on the weekend and they talked to actual constituents, if they stepped outside of their bubble, they would find out that this is one of the number one concerns. They would certainly find out. I know the minister is laughing and smiling, but I would be devastated if my party had lost all that trust.

This party managed, this party being the NDP Party, because of a situation where Albertans were frustrated with the current government – the legacy Wildrose Party crossed the floor and

created a perfect storm where this government could come in and do all their ideological changes. But you would think that because the NDP were able to get power through that, they would've learned a lesson from the former PC Party. My colleagues who were part of the former PC Party have spoken about that lesson very often, which is to not stop listening to the boss. Do not stop listening to Albertans.

The late Premier Ralph Klein used to call it dome disease, and there is no doubt when you're talking about Bill 13, this electricity capacity legislation, that this NDP government is suffering from the worst case of dome disease probably in the history of this province. They've lost complete contact with Albertans. If they talked to Albertans, they would understand that Albertans are very concerned about this. They also are very concerned that this government will not even put in simple words to ensure that the language around this legislation will ensure the fair, efficient, openly competitive operation of the capacity market. For what possible reason would the government not want it to be fair, would not want it to be efficient, would not want it to be openly competitive when they try to make these large changes to the capacity market?

7:40

You know, we've been debating Bill 13 for a while in this Assembly. My colleagues and I primarily are the only ones who have been speaking to it. A simple look through *Hansard* will see that that fact is true. While the NDP members have been in the Assembly during the debate, they have not participated in it, particularly the Minister of Energy, who has not risen to discuss those concerns with the opposition and has not answered some of those simple questions, particularly why they would not want a fair, efficient, and openly competitive operation of the capacity market they're trying to create.

Albertans cannot be blamed for being concerned about the hidden agenda of this government. This government, from the very moment that they took office, has operated under a hidden agenda. The carbon tax, another thing that has devastated our communities, was another hidden agenda, something that none of these members campaigned about when they were running to be this government, something that they hid from Albertans. Then they came in, and they made it the law, made it one of their primary laws.

That applies, certainly, to the amendment because the amendment is about trust. The amendment is about trust. Why would Albertans trust a government that continues to hide things from them, that campaigns and doesn't tell them about their ideological policies, that focuses their time on stacking the deck on electoral reform and trying to make things work better for them, and as we heard today in question period, that skirts around the law to do campaign announcements in Fort McMurray and Sylvan Lake despite finally passing a law after a long fight by this opposition in this Assembly to stop the government from using the taxpayer purse to participate in elections, you know, something the Premier and the hon. Government House Leader very clearly were against when they were in opposition, very clearly were against? But now that they're in government, that's all changed. They can skirt those rules. They can skirt those rules, and they lose more trust, which is why the opposition has to bring an amendment like this, because Albertans don't trust them.

If this government's goal with this bill is not to take away a fair, efficient, and openly competitive operation of the capacity market that they're creating, then they should support this amendment. If they don't support this amendment, then the Energy minister should rise and explain why she and her government do not support a fair, efficient, and openly competitive operation of the capacity market. Asking Albertans just to trust you is no longer acceptable to the

people of Alberta. It is no longer acceptable. They're totally tired of the NDP's behaviour, their blatant, partisan, rhetoric, ideological behaviour focused on themselves – selfish behaviour, I would say – and completely ignoring the people of Alberta.

Now, Madam Chair, instead it appears that the NDP is focused on a capacity market under the NDP that will only be about reliable supply and reasonable cost. This is not the consistent language that the industry uses. The other thing that this amendment does, as the hon. Member for Calgary-Foothills, who's worked very hard on this issue, points out and rightly so, who brings this amendment because of that, which I moved on his behalf, is that it brings consistency to the language inside the legislation.

One of the big struggles that the NDP government in Alberta have had during their time in office is that they have very, very much struggled to make legislation that works. They have to revise almost every piece of legislation that they ever bring to the Chamber.

I see the Minister of Labour, who's brought a lot of electoral reform pieces of legislation to this House, and then she has had to change them every sitting afterwards because they got it wrong.

The Minister of Municipal Affairs is here tonight. Great to see him. We had a piece of legislation the other day around Bill 10 where he had to amend three-quarters of the legislation just three or four short days after he tabled it in the Assembly. He struggled to get that legislation right. Now, I'm glad he's working to get it right. It's a good thing the opposition was here to catch the mistakes. Despite the fact that the minister ridiculed the opposition over and over while they were catching it, he still came with, you know, an amendment to his own legislation that replaced three-quarters of it only a few short days after he tabled it in this Chamber.

It was such an interesting debate at the time, Madam Chair, because the government had to reach out to the opposition to have us carry on debate on another bill because they were having trouble getting their amendment for this Bill 10 photocopied. This is what the government does to legislation. They're in a mad panic in the backroom trying to photocopy an amendment that ends up in the hands of people in this Legislature that's still hot, hot off the presses, hot off the photocopier.

You know, they get legislation wrong. They have a terrible habit of that, and there are probably a couple of reasons for it. One is because they're trying to go at such a rapid pace to get their ideological agenda in that they will not listen to the opposition, just like they will not with Bill 13 or this amendment. Second, they won't talk to Albertans, which is why Albertans don't trust them. And that's why you see governments who have to come and replace their entire piece of legislation.

I mean, I would not hold my breath as we're working through Committee of the Whole that at some point the pages will not come running in here with a whole bunch of hot amendments to Bill 13 because this government finally realizes: oops; we made a mistake on this one, too. Now, when it happens that way – which if it's going to happen, I hope it happens that way for Bill 13 – that at least allows us to catch it before Albertans are punished. Most of the time this government catches it well after the sitting is done, and then they have to wait all the way to the next sitting to come and change their own law, because they're incapable of writing legislation that they don't need to have fixed.

Now, Madam Chair, when it comes to Bill 13, everybody that we are talking to in the industry says that they need a fair, efficient, open, and competitive capacity market, or FEOC, through and through, without any exemptions. There has to be a fair, efficient, open, and competitive market. It has to be consistent language throughout Bill 13. It's essential to prevent legal challenges, something that this government has had trouble with as well. In fact,

they had to sue themselves when they were dealing with the electricity market. They sued themselves. They also sued Calgary's electricity provider, which is owned by taxpayers in the city of Calgary. They ultimately had to do a settlement, which they still have not, you know, from what I've been able to tell, come clean with this Assembly on what it is despite being repeatedly requested by the opposition. It will come out. It's not something that they're going to be able to keep hidden forever. It will come out.

But why not make sure that this legislation is right this time? Why does this government continue to do things like Bill 10, realize that they made a mistake because they won't listen to anybody, and then rush to fix it and still make more mistakes? It's shocking to many people that this government continues this behaviour.

I will close with this, because I'm looking forward to hearing some more comments from my hon. colleagues tonight. I may have more to say a little bit later. The biggest issue that I hear on this bill back home right now – and it was great to be back in Rimbey-Rocky Mountain House-Sundre this weekend. This was one of the number one things that, actually, people were discussing with me back in my constituency because of that trust issue, that they don't trust this government. They're also scared of the day-to-day consequences that could come as a result of this government making a mistake. They also know that this government doesn't care about them, because the government has shown over and over and over that they don't care about Albertans. They do not care about Albertans. That's why they get their legislation wrong. They just don't care. I mean, they come in and make fun of a significant portion of this province's representatives, telling them that they're fearmongers, and then have to come in and actually fix the legislation as was pointed out about it.

But their biggest fear is that this NDP government, which has shown itself to be extraordinarily incompetent on almost every file, is going to get this wrong and that we are going to be like Ontario. We are going to end up like Ontario. We're going to end up in a situation where we're going to make it harder for small manufacturing in communities like I represent: Sundre, Rocky, Rimbey, Bentley, Caroline, Buck Lake, Pigeon Lake, on and on, Winfield, Eckville. All those communities are very scared that this government is going to get it wrong and that it's going to cost manufacturing, which, in particular, rural communities are depending on attracting to their communities right now, too much and that they're going to go to other jurisdictions, Montana or Saskatchewan or elsewhere.

Then, secondly, they're absolutely petrified about their electricity bills, which are already crippling, in some cases, in an economy that has been struggling under this NDP government's watch, under a government that has raised their taxes, under a government that has brought in a job-killing carbon tax to the point of hurting seniors in our communities, hurting our community centres, hurting our nonprofits, devastating them. Then their only answer to them when they come and ask questions is: go and fund raise for your carbon tax. That's all this government will tell them. But they're scared that government, that same government who's lost the complete trust of Albertans, who has no trust, is going to bring in and continue to mess with the electricity system so bad that it's going to raise their bills even more. It's going to make it harder for them to raise their kids. It's going to make it harder for them to go on vacation. It's going to make it harder for them to live their lives, every Albertan.

7:50

Particularly, though, I think right now as I'm speaking of the fixed-income seniors, many of whom I represent, who are living on tight budgets, who have built our communities, who we want to stay

in our communities because communities are better with grandma and grandpa there. They're better with our seniors, the people that have built our communities, but they are struggling to stay afloat under this NDP government, a government, when you're talking about seniors, Madam Chair, who took away 30 per cent of their carbon tax rebates and then shrugged their shoulders and said to them: it's okay; you've still got 70 per cent. That's how this government treats seniors. They are scared. They are scared of the consequences that will come as a result of this legislation.

Now, the NDP may think that's humorous. They may think that it's okay, that people will forget, that seniors will forget in the next election, that other people will forget the damaging policies that this government continues to force upon them, but I can tell you, Madam Chair, that they will not forget. They will not forget. This government would be good to remember that.

But that should not be the reason why they should fix this. They should fix this because they don't want to continue to hurt the people they say that they're here to govern, to hurt the people they say that they're here to help. Time and time again in this Assembly this government proves that they do not care about Albertans.

The Chair: Any other members wishing to speak to the amendment? Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Chair. I'm pleased to rise tonight to speak in support of the Member for Calgary-Foothills' amendment to include the words "fair, efficient and openly competitive" in the language of this bill. There are a few reasons why I think this amendment is needed, the main reason being that adding in the language would simply restore confidence to the investors that we so desperately need in this province. Our caucus has heard on a number of occasions from various electricity stakeholders that there is great concern and mistrust in the absence of fair, efficient, and openly competitive that had not been accorded to the capacity market, where the standard FEOC language was not used, especially given this government's track record of making changes after the fact.

We've just heard plenty of examples, so I won't indulge in stating those examples again, but as I've stated many times before, I think that if this government would take the time to be able to do the proper consultation, to properly ask Albertans what's going on and what's happening, I think they would be in a situation where they wouldn't have lost the trust of Albertans. They wouldn't be in this situation where they've messed things up so badly that they're sitting where they are in the polls right now.

Now, the members from the other side would like to say that there is absolutely no reason for the amendment and that it is a complete waste of time, but, Madam Chair, I would like to ask those same members: when has it become the practice of this Assembly that restoring confidence in the electricity market or any market, for that matter, is simply a waste of time? This Assembly was established so that legislators can come to this House to discuss concerns brought forward by the people. To say that that is a waste of time is completely appalling. If that is the case, then I think those members should rethink the reason they even started to get involved in politics in the first place.

Trust in the process and trust in this House needs to be restored, Madam Chair. Trust is the biggest problem that this government faces. It is no wonder that the people have lost confidence in this government when members make comments such as: these are a waste of time. Like the Member for Rimbey-Rocky Mountain House-Sundre said last week, "When the NDP . . . came into power, they started out by actually breaking government contracts and ending up in some [huge] lawsuits and negotiations as a result of

that... instability for the generators but also instability for investment markets” due to investors not trusting this government’s word.

And how, really, could they trust their word? They change the rules as they go. After all, this government is willing to break contracts that the government itself had and has the willingness to sue even itself. Who can know the mind of this government? This amendment would help to tidy and clean up the bill. It would also ensure consistency. Taking this government’s word is obviously not good enough.

Now, I know the members on the other side would rather have people believe that this amendment is just a waste of time, but truth be known, it’s rather simple to include and gives electricity stakeholders confidence and certainty. I know for a fact that they don’t see it as a waste of time. It would also instill confidence and certainty in the stakeholders who are worried about legal manoeuvring that could potentially allow the government or the Alberta Electric System Operator to skip out of commitments.

Now, you would think that this government, seeing what we saw with the PPA debacle, would understand this point and understand this principle that you need to make sure that the legal contract, in this case the legislation, is ironclad. To take a little longer to be able to make sure that we get it right or that they get it right would save the government and, obviously, taxpayers a lot of money in terms of legal costs, again, as we’ve seen with the PPA debacle.

I couldn’t tell you enough how extremely important it is for this government to restore some essence of confidence and instill trust in the bill. If they did so, investors would feel much more confident in the process. Members on the other side of this aisle claim that the words we are using in the amendment are already in the bill, that it’s superfluous and perhaps something we don’t even need to look at. Restoring confidence is considered superfluous and something we don’t need to waste our time on? That is what happens, Madam Chair, when you have a government who lives under an NDP world view and does not consider consultation with anyone outside of the view valuable. Actually, they perceive it as a complete waste of time.

If this government really wants investors to receive this bill in good faith, then I suggest that this amendment be supported. Eroding investor confidence will not lead to the future growth of this province. This is a rather simple amendment that would very well restore that confidence. Like other members have mentioned before, this is not simply a grammatical change. This isn’t simply adding words to make this just sound better to investors. This is about actual transparency and fairness. It also incorporates words that industry understands, using legal terminology that cannot be mistaken.

The Member for Calgary-Foothills used foresight when drafting this amendment. He decided to look ahead to make sure that the same issues that happened previously with the PPAs does not happen again. This is something that the government side of the House and their thousands of employees should be very concerned about. I give him credit for this kind of forethought. I think that the other side of the House should peacefully and humbly accept this amendment because – you know what? – he’s right. This very simple amendment could save the government a world of trouble and save taxpayers a world of trouble. Not only could this be a potential problem down the line, but let’s look at the electricity capacity any time capacity drops. Who is on the hook for the bill? That’s right. It’s the taxpayer, Madam Chair.

The legislation as proposed says that the capacity market supports ensuring “that a reliable supply of electricity is available at reasonable cost to customers.” Reasonable according to who? Who determines that? The value of being able to put this kind of

verbiage into the legislation establishes that there are going to be competitive processes at play, that there are going to be fair processes at play, that they are going to focus on efficiencies and that they are going to make sure that it’s open and, as I said earlier, competitive.

This is standard practice in good or best practices. I think the sad thing that I hear is that the NDP will not be supporting this amendment. This is a very common-sense amendment that does not change their need or desire to be able to move to a capacity market. This actually takes, in my opinion, a very bad bill and makes it less bad, and yet again we’re seeing complete stubbornness from this government. This is just not the same as it saying that the capacity market “supports ensuring a reliable supply of electricity is available at reasonable cost to customers” and “supports the fair, efficient and openly competitive operation of the capacity market.”

8:00

Let me ask the members on the other side of the House this question. Why wouldn’t you want the capacity market to be fair, efficient, open, and competitive? I imagine that if they were sitting on this side of the House, they would be championing that kind of an idea. As we’ve seen in *Hansard* in the past, that is something that they’ve been supposedly champions of in the past, and I’m not sure exactly why they’re not now.

Since this government’s phase-out of coal generation, the need for Bill 13 became apparent when the grid became unstable. The capacity market had to happen in order to stabilize the grid, or else we would have seen the same sort of thing happening in Ontario happening here. Now, it’s not to say that that won’t happen here. As we can see, especially with the election in Ontario, Premier Wynne is suffering the consequences of a policy that has taken down a complete government. I think that, once again, making sure that this bill has the right mix, learning from the mistakes that were made in Ontario, would be something that this government would embrace, yet again they’re completely uninterested in applying these best practices.

Now, the reason they had to do this was because the NDP decided to implement changes too quickly. What an American company did in three years across 13 states should have taken six. Then there’s our government. They decide that if this American company can do it in three, they can beat that and do it in two.

Here we are back in the House, and if you want to talk about wasted time, let’s discuss how this government, through their own fault, now have to bring in capacity markets and waste everyone else’s precious time and money. It’s a real shame, Madam Chair, that it went this way. In fact, it can all stem back, in my opinion, to the carbon tax. Because they implemented the carbon tax, there was just a snowballing effect of one more legislation that needed to be introduced and presented so that they could fix the original problem, which is the carbon tax, the original fault of not thinking about things and just rushing headlong into policies that had not been properly thought out, in fact not even just properly thought out but not even campaigned on, the largest tax grab in Alberta history. We’re in a situation now where we’re seeing that not only affecting Albertans in the pocketbook from the carbon tax but actually affecting Albertans because of the constant new policies that have to be presented by this government in order to be able to try to fix the original problem.

Well, I know what the fix is, Madam Chair. We’ve said it many times. Our leader has said it. We need to get rid of the carbon tax, get rid of the original problem, and start working through these issues that this NDP government has introduced to a fantastic economy and to a fantastic province, a place that used to be the light in Canada. In fact, many people from all over the world came to

this place because of this thing that we used to call the Alberta advantage. It's been dismantled now. Now we have businesses that are saying that they have no interest in being able to stay here. The only reason why they do is because they believe that this will be a one-and-done government, and if they believed that there's going to be a second term, they would not stay. We would see a complete exodus of businesses.

Now, look, I'm not trying to be a fearmonger here. I'm not trying to say something that I haven't heard. I've heard this everywhere I go. From north to south, from east to west in this province businesses are scared to death of this NDP government. They keep on changing the rules. You know, what's interesting about this, Madam Chair, is that businesses can adapt to a lot of things, but when it happens so quickly, they have a very hard time adapting.

I'll give you a case in point. Recently, June 1, the new OH and S rules, occupational health and safety rules, were applied and also the fines and penalties associated with those. Now, what's interesting about that is that as I read through some of the feedback that we were getting, that feedback showed that the businesses had not even been told about these changes and the scope and magnitude of these changes until just weeks ago. It started being posted on the website, and the government started being able to tell people. But how do they expect businesses to be able to adjust? They need to have that certainty, that certainty that if they invest, if they bring their hard-earned capital and they invest it in this province, they will be able to see a return on investment, or else they wouldn't do it. They'll go somewhere else, where they can have that certainty.

In this situation we've seen time and time again where they have introduced bills, introduced legislation based upon a world view or a view of how they think the world should be, and the outcome, the cost to society, has not been fully vetted, has not been fully understood.

You know what? For three years now I've been sitting on this side of the House trying to figure it out, and I have to say that the only thing that I can see as the reason why we're seeing this kind of legislation coming out is because the NDP government, the people who make up the NDP, do not know how money flows. They don't know how investment works. Because of that, it's like shooting in the dark. They're in a situation where they think this is the utopian way that it needs to be, and then they move forward with legislation that has never been proven. There are no precedents to show that it actually can work, but there's a belief that they can do it.

You know what? Even with this whole concept of electricity, the capacity market, they're doing the same thing that has been done in Ontario – the same thing that's been done in Ontario – yet what do we hear from them? “We'll get it right this time. We've figured it out. We know how it can work.” Well, I've said many times, in talking about Bill 13, that of the three parts of the electricity market – you've got the transmission, the distribution, and the retail – the one part that was the shining light in this whole electricity market was the retail side. That's the one part that we've done well. Yet they're changing it. They're moving that into a capacity market. They're moving that into a model adopted by Ontario. Why? Why are they moving to that kind of a model? Because it is working? Once again, why would they want to fix the things that are working? They don't need to be fixed. If they would think about this, if they would think about the consequences of their actions, I don't know why we would have something like this come about.

I think that they should have addressed the issues of transmission and distribution – I've said that many times in this House – where we have a threefold increase in cost. When I talk to people and they talk to me about the increases in their electrical bills, they say: I'm

concerned about the transmission and the distribution costs going up. Those are the types of things that we need to be addressing. Instead, what do we see in Bill 13? We see them trying to fix something that was already fixed, which is the retail side. We've seen, actually, a few bills come forward which, in reality, just restrict that supply. If you restrict the supply, you're going to drive up the equilibrium price. This is economics 101. Very simple.

Anyways, Madam Chair, I have been opposed to this bill, but the amendment takes a bad bill and makes it less bad. This is why I'm in support of this amendment. It brings in the verbiage that will hopefully bring a little bit more certainty to those investors that we desperately need in our province. We don't want to be driving out any more investors. Now, I would like to reiterate that the members from the other side like to say that there is absolutely no reason for this amendment, yet I hope that I've been able to clearly articulate the value and the reasons why this is important, that this is something that actually can bring that certainty.

8:10

Even if it's just that one part that makes this bad bill just a little bit better, I think it's something that this government really should take a look at. They really should be able to try to get their head around it and figure out what it is about this idea of “fair, efficient and openly competitive.” What is it about that? What is it about that verbiage that makes sense and will help to make this even better?

I don't know why the government would be concerned about adding those words: “fair, efficient and openly competitive.” Maybe the competitive part would scare them. It seems like in every area where they can get rid of competition, they have been picking winners and losers. But what about fair and efficient and open? I mean, the NDP government has often said in this House, many times, how open and transparent they are. What about that?

Now, in the event that this is not something that they'd be willing to do, why wouldn't they amend this? Why wouldn't they just take a look at this and say: “Well, you know what? We do want to be able to carry on with this idea that we're open and transparent, so we are willing to take a look at this?”

The Chair: Any other members wishing to speak to amendment A4? Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Chair, and thank you for the opportunity to speak to this this evening. It's interesting. Lots and lots of opportunities to fix things here.

I just want to talk for a moment about language again. This is sort of where I was at when we ended last week. There is a humungous difference in language when you're speaking about what you're actually trying to produce. There is also an imperative piece about trust, an imperative piece about making sure that when large, large changes happen like this, you have the trust of the people that have put you here and that you're able to make sure that they have that trust going forward because you've been very clear about the mechanism that you're trying to change.

When we talk about fair, efficient, open, and competitive, it's actually not just language, Madam Chair. Those were the rules that were set out in the original language with regard to electricity and capacity and how those things are distributed. That language is actually the rule. It's the legal jargon that was put in there in the first place to make sure – those words are not just words. They're actually things that you have to do in order to make sure that you are doing right by the people of Alberta when it comes to their electricity, their quality of life, their ability to keep the lights on, and the ability to make sure that they can take care of their families. Also, if you're going forward with green technology, that language

would help them to understand what is happening with the new things that are coming online.

When we talk about that, the legal departments say that the words “reliable” and “reasonable cost to customers” do not even fall into the same category as “fair, efficient and openly competitive.” You cannot in any way prove “reliable.” “Reliable” has to follow with metrics. It has to follow with baseload. It has to follow with capacity. It also has to fall in line with what people can pay for, not hidden behind the smoke and mirrors of a number that the government has set in order to subsidize electricity coming to Albertans instead of allowing them to know what they’re actually paying for.

Like I’ve said before, not everybody appreciates what’s coming to them on their power bills. However, the rate riders on there have always handled the volatility. Sometimes you’re getting money back; sometimes you’re paying into the system. But we understood what it was that we were paying for. That piece has been removed by this government with the cap and also by removing this imperative language.

To reiterate, Madam Chair, this language was also removed in Bill 27 and Bill 34. The words “transparent” and “accountable” were removed from the Market Surveillance Administrator and from all of the aspects of those bills and what was changing there, which again gives extraordinary power to the Minister of Energy to bring on whatever capacity she wants without it being talked about in this Legislature on behalf of Albertans. When we look at that part of the puzzle and then we look that the government is changing the language, the assumption is that they don’t believe that Albertans are savvy enough to understand what’s being done.

If we look at REP 1, in that auction it came in with three wind projects. These three wind projects, that average 3 cents per kilowatt hour – and this is for the 600-megawatt project. I’ve said this before, but I think it bears repeating. When the electricity price drops below the average, the NDP government carbon tax subsidizes these wind projects. Boy, that carbon tax is going far, subsidizing wind projects. It’s subsidizing the cap on electricity, I mean, all sorts of things. Evidently, this \$3 billion is going to go a long ways. Of course, now it’s not going towards green initiatives. It’s been put into the general coffers, but this was before. The NDP government carbon tax will subsidize wind projects. What happens when it goes above 3 cents per kilowatt hour? Wind projects pay back the NDP government. Sounds good.

By comparison, the Independent Power Producers Society of Alberta indicated – and this is the interesting part, Madam Chair, and the part that doesn’t get explained by the government at all in any capacity. The 2016 wholesale price of electricity averaged – get this – 1.7 cents per kilowatt hour. How much subsidy is that, hmm? It sounds really good for the taxpayer and ratepayer, doesn’t it? That’s the average. That means that even more could have gone below that, which means that the subsidy increases by this government, supposedly by the carbon tax, supposedly to come in and help Albertans: I would like an explanation of that and how it is that – on top of this, how are we going to pay for the infrastructure that’s going to be required?

That’s just REP 1, Madam Chair. That doesn’t even include other projects that are coming online. We can talk about that, too. The question always, always has to come to: fundamentally, who is paying for this, and how much is it going to cost? Those are two fundamental questions we cannot get answers for. The total cost to the taxpayer? Unknown. How is it that in this House we can sit and do that to Albertans and say that we have their backs? That’s not appropriate, not even close. This could mean energy poverty for people in this province. We’re already going to see those spikes in electricity. Everybody in this House has probably had somebody

come to their office telling them that they’ve seen their energy costs increase, and I can bring in a whole bunch.

Again, the interesting thing about this and the 6.8 cent cap for residential users – and I’ve asked this on several occasions. There is no part of the capacity model that works for the industry. What about the farmers, Madam Chair? What about our farmers, our food producers, the people that put food on our tables every single day, who have to feed their cattle, haul water, use their trucks the same as they do plus pay the carbon tax and then, on top of that, are paying based on a rate rider different than what we are getting under this supposed capacity market and are not being informed by the government in any way, shape, or form as to what would be the best deal for them?

The minister sort of slightly said the other day that they’re sending out information and education. Really? Well, I have to tell you that I have a lot of farmers in my area. I phoned them after that conversation. I phoned 15 of them who happen to be my close friends, who I’ve known my whole life. Not one single one of them, Madam Chair, has received a letter saying: “Oh, you know what? You should probably go to Enmax, and you should probably get a fixed rate because these prices are going to spike.” Not one. If I could have gotten one or two out of those people – okay – I can understand. The information doesn’t always get out to people. I have the same problem. Not one. And I have them actually reaching to all of their friends right now, too, to see where this education piece is coming from.

8:20

Let’s talk about this again. We have REP 2 and 3, that are now being bid on, for additional renewable electricity. REP 2 is about 300 megawatts – this one has other equity ownership in it – and REP 3 is 400 megawatts. Do we know what the total cost to the taxpayer is? No. Nothing. Nada. Why, Madam Chair? Why is it that if this is so good for us, the government isn’t willing to be fair, efficient, open, and competitive, first of all; second of all, transparent or accountable? All of the words – there are six words there, superimportant words, that have been removed by this government in their own legislation. Well, it’s pretty easy to see why, because then they can legitimately make these decisions without actually talking to Albertans or debating it in this House.

Let’s talk about solar. The government of Alberta is planning to tender into June 2018, and evidently it’s to procure over half of its energy from solar power electricity. According to the solar industry it comes in at about 6 cents per kilowatt hour. Let’s talk about what the Independent Power Producers Society says. The 2016 wholesale price range: guess where that averaged, Madam Chair? One point seven cents per kilowatt hour. That’s interesting.

So, Madam Chair, do we know what the costs to taxpayers are? No. Nothing, because the language “fair, efficient, open, and competitive” has been removed, and so has “transparent and accountable.” I guess there’s no need to tell our fellow Albertans what’s actually going on here, is there? The government is just going to make that decision for them.

Let’s talk about the capacity market. As we know, Madam Chair, the sun doesn’t always shine; the wind doesn’t always blow. In order to keep our baseload – electrical generation has to stand on the back of some baseload that needs to be built. The reason why we got a capacity market, the reason why this has come in and impacted every single Albertan, why Bill 13 exists is to supposedly stimulate investment.

But guess what happens with a capacity market? Electricity prices will rise, supposedly because we have less volatility. You know why? Because it’s been capped. Therefore, anything that is happening volatilitywise will happen under the smoke and mirrors

of the cap, so Albertans just don't need to know. What we have right now, where we have zero utility debt, will soon grow to be a massive debt in this province because of subsidies, because of lack of understanding, and because the rate riders aren't there to balance off what was happening in the first place.

Like many of the other members on this side have said, there were so many things with the electricity market that could have been fixed. The retail part was not that piece. So many other things that could have been fixed, that needed help, that should have been looked at: no, no, no. We're just going to attack and bring up the cost of the specified gas emitters so that the PPAs get overturned and cost billions of dollars to Albertans and then, on top of that, build all of this other legislation to fix that mistake that happened in the first place, that evidently wasn't in the binders of the ministers when they first got this portfolio.

An Hon. Member: You've seen the binders?

Mrs. Aheer: I can actually answer that because actually that was language that was used by your Minister of Energy specifically in this House, in *Hansard*. I have it here. That was not my language; that was the minister's: it wasn't in the binder. Fair enough. Walking in as a brand new government: so much information, for sure. But when the energy companies come to you, saying, "Uh-oh, you probably shouldn't do that" and that this is what's going to happen and it still happens – and we know that that discussion happened well before the PPAs were overturned – it calls into question not even the understanding but the purposefulness of what has been done here.

Here's the thing that's interesting. We know that electricity prices will rise. We know that there's a cap. We'll presume that there's less volatility because we don't know any different, because it's not on our bill anymore. But guess what again? The cost to the taxpayers and the ratepayers is unknown.

Let's talk about the power purchase agreements for just a moment. We have a bit of a timeline here. The NDP raises the carbon tax on coal-fired power plants. It made the power purchase agreements more unprofitable. That cost the taxpayer \$2 billion to buy back the PPAs. That full cost is still not fully known. It's another thing that Albertans are very interested in.

You know what's really interesting, Madam Chair? How interested Albertans are in this right now, completely interested. I've never had so many questions about electricity. I love talking about it. It was something that I learned from the very beginning to here. I had very limited knowledge about this. It's one of the beautiful things about being in this House, how much you learn, how much you learn about these particular pieces of information, especially when you have to explain it to people, what's going on. I find it very interesting because I'm interested in it, more people talk about it, and then you have a lot more interesting discussions about it. What every single person says to me is: "I don't understand it. I don't get it." Whether they love renewables or whether they're against or they're coal-fired people, whatever it is, nobody seems to understand this mechanism or how this has been done.

Let's talk about that first. We've got approximately \$2 billion to buy back the PPAs, but we don't know what that full cost is yet. Then – whoa – here's even more fun. The coal phase-out agreements: the cost to taxpayers is \$1.1 billion in 2016, \$31.9 million in 2017, \$29.9 million in 2018. And that will continue to cost taxpayers tens of millions until 2029. Wow. Congratulations. That's a real winner of a piece of information there, especially when you consider that there's absolutely no information going out to the taxpayer and the ratepayer about what the cost actually is going to be to Albertans.

If we talk about subsidized electricity prices, consumers on the regulated rate option for electricity will have their bill subsidized when electricity prices climb over 6.8 cents per kilowatt hour. The government has budgeted \$74.3 million in 2018-2019 to subsidize this decision. That decision, just the decision alone, aside from the \$74.3 million, cost the government \$9 million. Does the government know how much this is going to cost taxpayers? No. Absolutely no clue. The only thing that we have information on right now is REP 1.

REP 1 proves to us that at this point in time not only is it subsidizing the taxpayer, but we're having to subsidize for capacity as well. How does that work, Madam Chair? How is that okay? People love the idea of renewable energy, but you don't do it under smoke and mirrors. You don't make decisions and then have Albertans pay for that because people think that that's the right thing to do. You can't do that and not tell the taxpayer what they're on the hook for. We are here spending hard-earned taxpayer dollars on things. We have a responsibility, at least to some degree, to explain to them why this is happening.

I mean, we know that the total cost to Alberta taxpayers for these changes to the electricity system is going to be north of \$3.2 billion, but we don't have an exact number. That's the entire cost of the carbon tax for this year. Now, even better, Madam Chair, those dollars are being taken out of green initiatives and put into the general coffers. In the government coffers there's even less transparency over what is happening to the money that was promised by this government that was going to be used for green initiatives.

8:30

The hon. members for Calgary-Foothills and Olds-Didsbury-Three Hills have written to the Auditor General asking to have all of this audited. Why? So we can actually go to Albertans, Madam Chair, and say: "This is how much this is going to cost you. This is what the government has put on your shoulders." They didn't ask. They brought this forward. They didn't campaign on this, and this is the result. These several bills that build this puzzle of a lack of accountable language and that puts together all of this legislation that had to be built as a result of the mistakes that were made when the PPAs were overturned in the first place in order to subsidize – you have to be able to subsidize renewables to bring them online in order to track that investment. It can't happen by itself. They are not capable of making money by themselves. It has to be subsidized. There has to be a capacity market in order to subsidize renewables coming online right now because they cannot pay for themselves. It's not even like they produce at 100 per cent capacity, Madam Chair. Anything outside of that is paid for by the taxpayer.

So when you hear members say that language is superfluous and lacks value and "Is it useful?" and they find it fascinating and that we're just reordering words for grammar reasons, I have to say, Madam Chair, that that is absolutely mind-boggling, that that's the kind of language that is being used when we're trying to find out why Albertans are on the hook for this, that a member of the government would use that language to explain the necessity for fair, efficient, open . . .

The Chair: Any other members wishing to speak to the amendment? The hon. Member for Highwood.

Mr. W. Anderson: Well, thank you, Madam Chair. It's so exciting to be here tonight. It's 4-1 in the hockey game.

Madam Chair, I rise today to speak in favour of my colleague from Calgary-Foothills' amendment on Bill 13, An Act to Secure

Alberta's Electricity Future. You know, this amendment could change the wording in a couple of subsections, where it should be fair, efficient, open, competitive, and not being used to describe the capacity market.

Madam Chair, before I get into the specifics of this amendment, I'd like to touch base on a couple of points on Bill 13. Bill 13 is not a simple piece of legislation. It would change Alberta's electricity market from an energy-only market to a capacity market. What does this really mean? From my understanding, this means that there'll be two markets, one for the ability to produce energy and one for the ability to deliver energy. It's a fundamental change to our electricity market. Has the government done proper consultation with the consumers and industry stakeholders? Well, if industry stakeholders are taking you to court and there are some legal issues, obviously, you didn't talk to them. In the past we've seen that this government has brought through different items on their agenda without proper consultation, and this piece of legislation isn't that different. I think it's unlikely that they're going to do that.

Was there any reason to change our electricity system in Alberta? The fact of the matter is that the previous market, the previous system, was working pretty well in Alberta. We had no debt, prices were low, consumers were happy, and the risk was carried by the electricity market, or the producers and the providers. So why did the government introduce this legislation? The reason was because of this government's ideological plane and a shift from a reliable market such as coal to other forms of electricity. They wanted to take that away and move it towards what we think is an unreliable market such as wind and solar.

Well, Madam Chair, while there are many issues with this legislation, what we can do right now is propose amendments – and that's what my hon. colleague has done – that can make this legislation better for all Albertans. The amendment proposed by my colleague from Calgary-Foothills does just this. This amendment cleans up and adjusts the language in Bill 13, just for the mere fact that it creates some consistency. There were a few places in the bill where fair, efficient, open, and competitive had not been accorded to and brought through in the capacity market, or the standard language just wasn't used. It wasn't business language.

This further makes it such that the government just can't skip out on its commitments. Some stakeholders have expressed concerns about whether the government could use legal manoeuvring to not live up to its commitments. Perhaps the language in the contracts is somewhat nebulous.

My colleague's amendment would help restore the trust in the bill. If the last three years have shown us anything, it's that Albertans have very little reason to trust this current government, from its tax hikes, which were never campaigned on, to the increased level of government debt, which has given Albertans plenty of reason to be skeptical. Considerable debt. Even regarding electricity this government has gone from a system that served Alberta and Alberta's best interest to a system that was costed by Albertans – even better – more so.

While this amendment doesn't solve all the problems – I'm sure my hon. colleague had thought it through well, this amendment – he was trying to solve one problem, some of the language. It makes sense. It doesn't solve all the problems that we've created, the lack of trust in this government, but it does help the public trust in this particular piece of legislation. Adding the words "fair, efficient, open, and competitive" to this legislation restores the trust.

Why wouldn't we want capacity markets to be fair, efficient, open, and competitive? Why wouldn't the members vote in favour of this amendment? Hmm. This government hasn't shown its commitment to fair, efficient, open, and competitive markets in the past, but now it would be a good time to show that commitment.

Let the people think and know exactly what you're doing. Put it in the language of the law. Put it in the contract. No.

However, the language the NDP uses in this legislation regarding the capacity market is only about reliable supply and reasonable cost. Pretty simple terms. Not much there; not much of a commitment. It's just not consistent language that the industry uses. I haven't seen it in the contracts. We need the consistent language in this legislation. It only makes sense. The industry needs to be seen to be fair, open, efficient, and have competitive operations of the capacity market without exception. This will prevent legal challenges and will allow us to enable an industry to trust the government to get the capacity market right.

Madam Chair, while this amendment does not allow improvements to be made to Bill 13, I still have many reservations about the capacity market that is being created. You see, government works best when there is less of it, less red tape, less infringement. We had a little government electricity sector prior to this government taking over, prior to the NDP taking over, and it worked well, but now look. Now the NDP seems to think that adding more government to the electricity sector is something that's going to make things better, more red tape.

The NDP got involved in the electricity market by shutting down coal-fired power plants and trying to promote their green energy ideas in a very short period of time. Then, to compensate for this intrusion, the NDP introduced Bill 13, which we are debating today, just to try and solve some of the issues of their initial intrusion and what it's caused. When will it stop? When will this government learn that the best thing they can do is simply get out of the way of the private market?

As I mentioned before, Bill 13 is no simple piece of legislation. Fundamental changes are being made to the electricity sector. Is the time that we have spent debating this bill in the House sufficient? I think not. My UCP colleague and I have previously made referral amendments so that this bill could be studied in depth in committee – and, believe me, I'm getting used to the committee – with input from most stakeholders, but unfortunately, of course, it was defeated.

Madam Chair, while I do see many issues with the shift to capacity markets, I would encourage all members to vote in favour of this amendment. I think it's a good amendment. I think my colleague thought it through effectively and efficiently, and I support this amendment.

Thank you, Madam Chair.

The Chair: Any other members wishing to speak to the amendment? Calgary-Foothills.

Mr. Panda: Thank you, Madam Chair. It seems that I'm really, really encouraged by the Deputy Premier and her colleagues there. They really want to hear me speak on Bill 13 and my own amendment, amendment A4, which is an important amendment. While I was away in Manitoba learning about market access issues, my colleague from Rocky Mountain House introduced this amendment on my behalf, and I would like to thank him for doing so.

8:40

I also understand, Madam Chair, that the Member for Edmonton-South West sparked some heated debate on this amendment of mine. I understand that the member said, "All the words that they're using are actually already in the bill. They've actually just reordered those words." I'm really happy at least that he did some research and found that I drafted the amendment using the words which are already in the bill. I compliment him for taking some time and

reading that bill, at least paying attention to my amendment. Thank you for doing so.

Yes, that's true. All of the words that I used to draft this amendment are actually in the bill, and, yes, that's exactly what I'm doing. We are reordering them. The member then went on to say, "I think that's sort of superfluous and maybe something that..." Did I get that right?

Mrs. Aheer: You did awesome.

Mr. Panda: Okay. Whatever that is, superfluous.

"... we don't necessarily have to look at in here. It changes the order of the words, and I don't know how that's a valuable use of the time in this Assembly."

I heard that the Member for Edmonton-South West – I just saw him there – is a computer programmer, and he should know better. The law is not much different than writing a computer code. If you write the code in the wrong order or if you forget to write a line of the code, the program doesn't work; it crashes or it produces the wrong answer. The same is true with the law. If the words are in the wrong order or if the words are missing from a line of the bill, when that bill becomes the law, the law doesn't behave as it was originally intended.

Now, the Member for Chestermere-Rocky View, my good friend here and my seatmate, rightfully pointed out that part of this amendment changes the section of Bill 13 where the capacity market is to have reliable and reasonable cost to the consumer. Being reliable and a reasonable cost to consumers is all well and good, but it's not the same thing as also being fair, efficient, and openly competitive in its operation. This amendment is a major change in Bill 13 to bring trust to the capacity market.

Madam Chair, here I'm talking about bringing trust back to the capacity market. Just now my colleague from Highwood spoke about that trust. Trust is really important here because when the NDP ran in the 2015 provincial election, I looked at their election platform, their election manifesto. They never told Albertans that they were going to bring in a job-killing carbon tax, not even once. They hadn't mentioned it. They also didn't tell Albertans that they were going to take on a \$96 billion debt on behalf of Albertans. They never said that to Albertans. They didn't ask Albertans for the mandate, not even once. I looked at their campaign platform. So then they brought in these earth-shattering changes to the electricity market, actually changing the livelihood of rural Albertans where that coal-fired electric generation is happening currently. The NDP, for their ideological reasons, wanted to shut down those coal-fired power plants. That means there is a deficit in electricity generation, so they want to replace that with renewable electricity, with wind and solar.

Since wind and solar are intermittent and they're not a hundred per cent reliable or dependable, they have to have a backup baseload to backfill that shortage, so they came out with this idea of Bill 13 to create a capacity market, which transfers the risk now to the consumers and the ratepayers. Earlier the private investors like ATCO, Enmax, and Capital Power took the risk of investing into this business and providing electricity at a reasonable cost. Now with the NDP's Bill 13 the risk is transferred to the consumers and the ratepayers.

Then they also capped it. They thought they were hiding that by capping the electricity at 6.8 cents per kilowatt. The difference is that somebody has to pay. In the month of April this NDP government has spent \$9 million more to pay for the differential, so about 6.8 cents. There are so many hidden costs that this government wants to hide or transfer to other, you know, accounts, but in the end it's coming from the same pocket, Madam Chair. It's

the consumers and the ratepayers. Albertans are paying for it. That's why the trust is really important.

That's why I thought through and brought in this amendment. There were a couple of places in Bill 13 where "fair, efficient and openly competitive" had not been accorded to the capacity market. The standard FEOC language was not used. FEOC is an industry standard language. People in the industry use it regularly, so you don't go messing around with that. By putting this back in, with this amendment, this will clean up some sloppy legal drafting in the bill and ensure consistency. Why? Because it's all about trust, Madam Chair. We just talked about that. Electricity generators want to be able to trust that this NDP government will get this bill right the first time. In that way, the government or the system operator will not have legal wiggle room to skip out on their commitments.

Madam Chair, I simply don't understand why the Member for Edmonton-South West does not want the capacity market to be fair, efficient, and openly competitive. It's not just the Member for Edmonton-South West. I don't understand why the minister or her cabinet colleagues or the NDP MLAs don't want this in the system. I just don't get it. But people want to invest in trust and confidence that the NDP government is not going to change the rules midstream or use the courts to force contracts open or amendments because they left a legal loophole.

Madam Chair, I mean, we know what happens when rules are changed midway. We have seen that when the federal government, this NDP's federal allies, the Trudeau Liberals, changed rules midway through with TransCanada, that has withdrawn their investment in the Energy East pipeline and cancelled the project. With that, they killed thousands of jobs and billions of dollars of investment. That's why I would ask the NDP members: do you want backup generation for wind and solar or not? If so, give the industry trust and confidence in the market rules.

8:50

Madam Chair, this is a good amendment. It strengthens the bill and helps the minister. I tried to make this bill, which is really, really complex – I'm sure the Energy minister will agree with me and I agree with her that Bill 13 is really complex. We're trying to help her make the bill better, myself and my colleagues here. We're doing our job. As the critic I'm doing my job of reviewing the bill and offering constructive criticism and offering alternate suggestions to make this bill better.

The NDP government has a record of rejecting the reasonable, common-sense amendments that we've brought forward to make their flawed bills – I mean, rarely, probably about three or four times in three years they've accepted opposition amendments. That really reflects badly on them. Today we have seen another example, Motion 505, a private member's motion brought forward by the Member for Calgary-Lougheed and Leader of the Official Opposition. The NDP, without even applying their minds, just rejected it.

On the other hand, the opposition, every time we thought that the government was fighting for Albertans, stood with them. We supported their bills wherever we thought they were in the best interests of Albertans. Like my colleague from Calgary-Elbow said, the NDP is acting silly, and they don't want to give the wins to the opposition just because they don't want to give any credit to the opposition for doing their job.

It was not the same story when the NDP Government House leader and the current Premier were in opposition, when they were sitting in that corner. For them, the world looked differently then. But once they occupied the other side of the aisle, their world view changed. They just want to suppress the opposition, and they don't want to accept reasonable, common-sense amendments. Well, I

think power corrupts people. It has gone to their heads. That's why Albertans are ready to send them back to where they belong very soon. They're losing common sense. They're not accepting good suggestions. Even reasonable – reasonable – amendments they simply don't want to look at. They just want to reject them.

I mean, on this particular amendment why can't the NDP members speak up and give their input? If they don't like this, I'm open to amend my amendment if that's what they want to do. I don't know if it is allowed or practical or not, but I'm open to listen to their suggestions for my amendment. They can tell me, other than saying: oh, he used the same words. I gave them my justification for why I used the same words. If they have any issue with that, I encourage them to speak up. I'm open to listening to them. If not, if they don't want to do that, then at least take our suggestion and accept this amendment, approve this, bring the trust back. Today people are not trusting the NDP.

This particular bill, Bill 13, if approved as it reads is going to increase the prices for electrical consumers. Seniors can't afford to pay. Seniors who are on fixed incomes can't afford to pay higher electricity prices, the carbon tax. Then regular people, the middle class, can't pay all those tax increases that this government brought in with their ideological agenda. They're not making life better, Madam Chair. They are making life hard for Albertans. If they believe in making life better for Albertans, let's try with this amendment with simple steps, baby steps. Let's take one step at a time. Make Bill 13 better by accepting this amendment.

With that, Madam Chair, I ask all my colleagues on both sides of the aisle to support this reasonable amendment and make this bill better.

Thank you, Madam Chair.

The Chair: Any other members wishing to speak to the amendment? Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Chair. I just wanted to follow up with some commentary based on what the Member for Calgary-Foothills was talking about. I guess I just need to ask the question: why? Why would you not want the words “fair, efficient and openly competitive” in the legislation? Is there a really good reason for that? Why would you choose to not have that wording in there?

I mean, the legislation says that the capacity market supports “a reliable supply of electricity [that] is available at reasonable cost to customers.” That is a very good mission statement. It's a good idea, an ideology to follow. However, it's not legal language. Saying that it's going to be reliable and a reasonable cost to customers is a very nice thing to say. It's a good sales pitch. But it doesn't have the legal language required to make sure that those things actually happen.

I just want to talk a little bit about energy poverty. Here's the interesting thing. When you look at Ontario, for example – and I know the government doesn't like talking about Ontario, but we have a similar story being created here, Madam Chair. If you look at Ontario and you look at the issues that they're having, they say specifically that today's high prices are largely a result of provincial policy decisions that were made in the 2000s. The system is different because in Ontario they went to a large capacity of nuclear power.

Here's the interesting thing. I want to talk a little bit about some of the important factors around what it is that Albertans are going to be paying for. Now, Ontario, like I said, has a slightly different mechanism, but here's the thing that I find particularly interesting. Facing low approval ratings, the Premier of Ontario decided to add in an 8 per cent subsidy for residential and small-business bills, which took effect that year in January. Isn't that interesting? It sounds very, very similar to what's going on here.

Then if you look at the actual numbers – so let's talk about this for just a minute. This is one thing that I think this government is going to run into as this capacity market starts to take hold is that you have your baseload power, and you have your peaking power. The gap between those two things is when we talk about installed capacity and actual production. The interesting thing is that your installed capacity – like, for example, in Ontario almost 60 per cent of the electricity is supplied by nuclear power plants even though it's only a third of Ontario's capacity. So what does that mean? That means that other sources, for example, natural gas in Ontario, those plants are running nonstop, the 60 per cent, while other power sources often go unused.

So what happens with that gap? What happens in that? That's why the fair, efficient piece is in there. That's part of the mandate of transparency, to be able to let the ratepayer know what is happening in the gap between installed capacity and actual production and who actually is getting paid for not producing at that time.

It's interesting. I was mentioning this last week. Let me see if I can find this. Oh, right. In Brooks did you know that zero power is produced 64 per cent of the time? Zero power. So when you talk about that, 64 per cent of the time nothing is coming from there. There is no production coming from that particular type of energy, but it is subsidized at a hundred per cent. [interjections]

9:00

It's interesting that you have an entire capacity – I mean, the point of bringing that up is that it's unstable. How do you have stability in electricity when the wind doesn't blow and the sun doesn't shine and it's producing zero capacity? You have to have a baseload power that is coming from somewhere else, that is running all the time and is being paid out for capacity while other things are being subsidized even when they're not producing. I'm sure the Member for Edmonton-Whitemud will have something to say about that shortly, or at least that's my understanding based on what just happened there.

I'll just continue on with my story. Unfortunately, this isn't a story. It's actual things that have happened in other provinces that we could learn so much from. One of the things that was really interesting was the transmission in Ontario. Hydro One is a government company. It was in the process of being privatized. Anyway, the Premier of Ontario had a plan to sell 60 per cent of hydro in a bid to raise \$4 billion to fund transit and \$5 billion to pay down the debt. Did you know that since 2015 only 30 per cent of the company is on the stock market? Why is that? If that is the plan of this government, to be able to bring this on and then sell it off, what is the plan for that if that doesn't work? The taxpayer and the ratepayer are still on the hook for that money.

We have another interesting piece of information that's very similar, too. The province of Ontario was haunted by the memory of the disastrous over budgeting on the nuclear construction between the 1980s and the 1990s. Then at that time the Liberals were elected on a promise to close down coal-fired power plants. It's interesting. It sounds very similar to what's happening in this province except that our capacity that we're bringing online is solar and wind and without, actually, any ability of understanding how we're going to get those megawatts and are going to get them to be sustainable.

The first major wave of power plants – this was all tied to the Green Energy Act, Madam Chair. But do you know what happened? It's the same thing that's happening here. The government provided lucrative terms for wind and solar to build a renewable-power industry. What ended up happening? The cost of all of this was passed on to the ratepayers in the form of – guess

what? – higher electricity bills. That is why the Member for Calgary-Foothills and the Member for Olds-Didsbury-Three Hills were asking for the Auditor General to find out what this is actually going to cost the taxpayer. We have no information on what this is going to actually cost the taxpayer.

Anyway, I just wanted to chat about that, and if somebody on the government side wants to talk about capacity or wind capacity or how that's being subsidized or not being subsidized, I'd be very grateful for any information. If I'm wrong, please correct me. I would love to be wrong about this. I would absolutely love to be wrong. So I'm hoping that the member will stand up and explain about the wind capacity and how that is not being subsidized by the government and about how it's okay with him that the language "fair, efficient and openly competitive" has been removed from the legislation that he is standing behind instead of explaining why it is that the capacity market provides smoke and mirrors to be able to bring on capacity where the taxpayers themselves will not know what they're paying for.

Thank you.

The Chair: Any other members wishing to speak to the amendment? Olds-Didsbury-Three Hills.

Mr. Cooper: Thank you. It's a pleasure to rise and speak to the amendment today. I think that, you know, it's a good amendment that provides some assurance, provides some transparency. I think we've heard somewhat from my colleagues this evening on the fact that this is about instilling trust. It's one thing that this government has done a very poor job of; that is, establishing trust with Albertans. On this particular file with respect to electricity this government has done anything but that.

You know, my colleague from Calgary-Foothills and I recently wrote a letter to the Auditor General asking if he would be able to provide some sense of the extreme costs that are going to be incurred by Albertans. We've literally seen the government spend billions of dollars already on the electricity market, yet we don't know what the future costs will be. There really is a lack of trust, a lack of understanding of exactly what direction this capacity market is going in and where it's going to end up.

This particular amendment supports ensuring a reliable supply of electricity that is available at reasonable costs to customers. This is not the same thing as "supports ensuring a reliable supply of electricity is available at reasonable cost" and "supports the fair, efficient and openly competitive operation of the [capacity] market." This is a major change that brings back trust to the capacity market. The real question, as has been stated, is: why wouldn't you want the capacity market to be fair, efficient, open, and competitive? One can only ask themselves the question on why the government wouldn't want that.

You know, if we look at the track record of the NDP, we've seen them make a whole bunch of different decisions that communicate that they don't actually want a fair and open and transparent and competitive market, whether it's bringing decisions back into government or whether it's something as simple as the rollout of the \$25-a-day daycare program. Madam Chair, you'll know that the government made the decision to only allow \$25-a-day daycare with very specific providers, providers that the government has selected. In this case it's only around nonprofit daycare centres. They don't even allow for nonprofit day home providers to have access to that \$25-a-day daycare program. In my opinion, it's all about minimizing fair, efficient, and openly competitive markets. They're doing that in all sorts of different scenarios, including daycare and including the electricity market.

It really comes down to an ideological bent that the NDP has that they know best. It is that they will be driving the market forces, that they will be minimizing choice, and that they will be taking steps to minimize the opportunity for fair, efficient, and openly competitive operations. We've seen that in so many different avenues that the government has touched. It's certainly concerning. It's concerning that we may in fact have a less open market, a less transparent market, a less openly competitive market because of the decisions that the government makes. Really, at the end of the day, it comes down to trust.

9:10

When we look at other jurisdictions that have lost control or have headed in the same direction as this government is heading, particularly in the case of Ontario, in every other jurisdiction that has transitioned to a capacity market, they've done so on a much more reasonable timeline. But this government is insistent on rushing this particular decision. We've seen in a number of situations significant cost increases and a real lack of trust with respect to what the government is doing on this particular file in other jurisdictions as well as here in Alberta, so it's widely expected that there will be a significant increase in costs with respect to the capacity market.

You'll know, Madam Chair, that I have the opportunity of serving the outstanding constituents of Olds-Didsbury-Three Hills, and you'll know that that's a very rural constituency and that these particular changes often have a more significant impact on rural Alberta, particularly because of the way that they engage in energy and in electricity.

Mr. Nixon: So another attack on rural Alberta.

Mr. Cooper: It is another attack on rural Alberta.

I think that, you know, we're wise to heed the advice of those who've gone before us. We look at rural Ontario. I was interested to read earlier today about a story that came from rural Ontario: Rural Ontarians Left in the Dark as Electricity Bills Skyrocket. The story is a Global News story.

So-called "energy poverty" is getting worse in rural Ontario, a Global News investigation has found, with even small households paying hundreds of dollars a month [just] to keep the lights on.

Mr. Gill: How much?

Mr. Cooper: Hundreds of dollars a month just to keep the lights on.

Officials, residents and experts are all sounding the alarm after electricity rates in the province rose 100 per cent in the past decade.

A range of factors are fueling the increases, including subsidies for clean energy.

Subsidies for clean energy. I think that this government has been well and truly on the record about their significant commitment to subsidies for clean energy, and while it's important that we are managing our environment and doing everything we can, we need to make sure that we're doing it in a manner that isn't going to create energy poverty in rural Alberta, as it has in rural Ontario.

A range of factors are fueling the increases, including subsidies for clean energy, dealing with aging nuclear plants and maintaining and modernizing the province's vast transmission and distribution system. But the problem is especially acute in rural Ontario, where steep delivery charges are the norm.

Madam Chair, it is a very large concern. I have heard from a lot of constituents – a lot of constituents – who are concerned about the way that the government is mismanaging this particular electricity

file. We've seen them make a lot of decisions – and I know that when we've asked questions in the Chamber about the costs of the PPA contracts, people from right across the province have reached out to us and expressed some concern about that particular problem, in particular, you know, the mismanagement, the expenses that have been incurred, the \$1.96 billion that are included in this budget that were losses because of the PPAs. That doesn't include the money that the Balancing Pool lost in advance of this year's budget. So it's yet unknown exactly what the costs are, but what Albertans are certain of is that at the end of the day the chickens will come home to roost, and someone has to pay that bill. Who is it that has to pay that bill? Well, it'll be the taxpayer at the end of the day.

More often than not, rural Alberta seems to be the place that winds up feeling the decisions of this government the worst. Time and time again they've shown that they don't understand rural Alberta, and rural Alberta is not treated as equally and as fairly. So they're concerned, just as they were in Ontario.

Fay Knox, who is mentioned in the article,

knows what it's like to live off the grid. Unable to cope with rising power rates, she has been disconnected twice because she couldn't pay her hydro bills. She lives by herself in a small house in the Eastern Ontario town of Lancaster, but her electricity bills run into the hundreds of dollars. For the month of March 2016, it was \$299.67. Knox, who receives a disability pension, says, she simply can't afford to keep her lights on.

This is the challenge. When the government makes decisions like this, including the carbon tax, they often have a disproportionate impact on those on fixed incomes and low incomes and disability pensions or AISH. You know, we've heard the government speak at length about the rebates that were coming from the carbon tax. But here is the challenge, isn't it? They actually are rolling back rebates for seniors and taking 30 per cent of their rebate cheque to go to their seniors' housing.

This is the challenge. We've seen it in other jurisdictions, and there's no reason to believe that it won't happen here, because we're moving to a capacity market, but we're doing it at an even faster and more alarming rate than they did in other jurisdictions, including in Ontario.

So when we see the government doing things that are going to create a less fair, less efficient, less open, competitive operation of a capacity market, we should all take pause. We should pause because why wouldn't you want all of those things: a fair, efficient, and openly competitive operation of the capacity market? But the problem is that this government continues to make decisions that don't reflect fair, open, and competitive markets.

Industry needs to see fair, efficient, open, and competitive markets throughout without exception, and I think of industry in rural Alberta, in particular. There are a number of greenhouses in the constituency of Olds-Didsbury-Three Hills, a number of large agricultural operations, including dairies. I think it was actually just World Milk Day here in the last few days. The dairies, I know, are feeling the pinch. As electricity prices will increase because of this government's mismanagement of the electricity file, we're going to see dairies, greenhouses, and other large industrial users all suffer significant consequences because of this government.

This is exactly why we should be supporting this amendment. It is so that we can establish trust, that we can continue to promote trust, that we can continue to support fair, efficient, and openly competitive operations of the capacity market. It is a very small, small step that the government could take to really advance the cause to provide a little bit of certainty to industry, to provide a little bit of certainty to rural Alberta and the things that they can come to expect. Because what they have come to expect from this government is not those things; it's the opposite of that. Certainly,

in the outstanding constituency of Olds-Didsbury-Three Hills there is a lot of mistrust, in fact, of the government, and this would be just a very small gesture that would allow a little bit of trust back into this particular piece of legislation, and I encourage all members of the government to support it.

The Chair: The hon. Member for Calgary-Greenway, on the amendment.

Mr. Gill: Thank you, Madam Chair, for giving me the opportunity to speak on this amendment for Bill 13, An Act to Secure Alberta's Electricity Future, an amendment brought by my colleague from Calgary-Foothills. I want to thank him for his work on it, his research on this amendment to make this bill actually a stronger bill.

9:20

I think it's a very simple amendment. The speaker from Olds-Didsbury, the Opposition House Leader, and the Member for Chestermere-Rocky View, they all spoke at length about this amendment. As they all said – and I would echo that, Madam Chair – there are a couple of places in the bill where fair, efficient, and open competitiveness had not been accorded to the capacity market or the standard FEOC language was not used. I mean, I understand that, like, fair, efficient, openly competitive is not this government's style. I get that, but I think it will make this bill stronger. It will help restore the trust to the bill, which this government, I think, in my humble opinion, desperately needs because that's what the fine people from Calgary-Greenway tell me every time I'm on the road and talking to my constituents.

I think this amendment will clean up the bill and ensures that consistency, to make sure that nothing is left behind. This amendment will provide certainty to the electricity stakeholders who do not want legal manoeuvring to allow government or the AESO to skip out on the commitment.

I think we should all support this amendment. It'll strengthen the bill. It'll restore the trust. I don't understand, like, why we would have any challenge or opposition to this simple amendment, which would strengthen this bill. I mean, I don't think the government wants to look like they're not fair or they're not efficient or they do not support being openly competitive, right? Those are all good things that strengthen the bill, and we should all support it because the trust is the main thing. The people of Alberta sent us here to represent them and do the best job we can do on their behalf, the taxpayers. I think it's incumbent upon us, Madam Chair, that we all work together above the party line and accept the common-sense amendments to strengthen these bills, amendments like my colleague from Calgary-Foothills has introduced.

I think we had four or five speakers before me who spoke at length about this very simple amendment. I mean, we had seen, Madam Chair, that legal battle with the PPAs. The government had to deal with that, the whole embarrassment and everything like that. We could potentially have legal consequences in this bill as well, so I think this is a simple amendment. As I said, it'll help restore the trust to this bill. At the end of the day, the whole idea is An Act to Secure Alberta's Electricity Future. If the government's attempt is to secure Alberta's electricity future, I think we should do the right thing and accept the common-sense amendment, which will strengthen the bill.

You know, the hon. Member for Olds-Didsbury-Three Hills spoke about the impact of the electricity market on rural Albertans. I mean, the hard-working people of his riding and, of course, my riding and a majority of Albertans are not happy with the direction of this government. I think it's in our best interests, Madam Chair, that we all work together to do the job we're here to do, to represent

our people, the hard-working Albertans, and wherever we see common-sense solutions, to rise above the party lines and accept those very simple amendments.

Once again I want to congratulate my hon. colleague from Calgary-Foothills. I think he may have, like, Madam Chair, six or seven more amendments. That's what he's so passionate about. If the government believes that it's an Act to Secure Alberta's Electricity Future, let's act on it. Let's not just put it on paper. Everything that this government does: it's always an act. I think they're just only acting. They're not actually acting to make it better. You know what I'm saying? It's okay. It was confusing, anyways.

My point was: let's act, accept this common-sense amendment. It restores trust to the bill. It's a simple amendment, Madam Chair. It's like "fair, efficient and openly competitive" had not been accorded wherever in this bill, in a couple of places, to the capacity market, or the standard FEOC language was not used. So let's fix that. Let's add those important words because we do have the potential of legal ramifications. I was speaking to my colleague from Calgary-Foothills, and I was asking him about the impact. He's very passionate about this thing, and he told me about, you know, the ramifications, the potential political issues that we may face if we don't have these simple wordings.

I don't think we're asking too much. I don't think, Madam Chair, that the Member for Calgary-Foothills is asking too much. This is not about scoring points like we were hearing today in question period, that the opposition is always looking to score cheap political points and all those things. I don't think it's about those things. I think it's about restoring the trust to this bill, strengthening the bill. You know, I think this NDP government could use that trust right now, especially when we're looking at the poll numbers, especially in my colleague's riding of Calgary-Foothills. I'm sure that the numbers are pretty dismal, and I'm sure, you know, the NDP supporters are, like, watching this House and saying, "Yes, government, support this amendment," so they may hold on to their support.

I think it's a fairly simple amendment, and we should all work together above the party line. If the government members have any issues about this amendment, let's debate that. That's why we're here. That's why we're here.

When the Leader of the Official Opposition had his maiden speech, Madam Chair, he spoke of the word "Legislature," and he broke it down. I believe it was a French word. It means the place where we debate. So let's debate these things, and if there's anything we can improve in this amendment, let's do it together because we owe it to Albertans. We all owe it to Albertans. That's why we're here. That's why we all left our families and everything. We're here to make this place better.

You know, once again I want to say thank you to my hon. colleague from Calgary-Foothills for bringing maybe, like, six more amendments. I don't know. He's been working very passionately, very hard on this file. I truly hope, Madam Chair, that the government side will support this very simple amendment and that it will help restore trust to this bill. Again, I mean, this government can use the trust really, really badly right now because Albertans don't trust this government.

With that, I encourage all the members of this Assembly to support this very simple amendment. Thank you, Madam Chair.

The Chair: Any other members wishing to speak to the amendment?

Hon. Members: Question.

[The voice vote indicated that the motion on amendment A4 lost]

[Several members rose calling for a division. The division bell was rung at 9:30 p.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Aheer	Fraser	Nixon
Anderson, W.	Gill	Panda
Cooper	Hunter	Starke
Drysdale	Kenney	Stier

Against the motion:

Anderson, S.	Hoffman	McLean
Bilous	Horne	Miller
Carson	Jansen	Phillips
Connolly	Kazim	Piquette
Coolahan	Kleinsteuber	Rosendahl
Dach	Larivee	Sabir
Dang	Littlewood	Schreiner
Feehan	Loyola	Shepherd
Fitzpatrick	Malkinson	Sucha
Goehring	McCuaig-Boyd	Turner
Gray	McKittrick	Woollard
Hinkley		

Totals: For – 12 Against – 34

[Motion on amendment A4 lost]

The Chair: We're back on the bill. Are there any further questions, comments, or amendments with respect to this bill? Calgary-Foothills.

Mr. Panda: Madam Chair, thank you for the opportunity to speak again on Bill 13, the electricity bill. Bill 13 is really complex, and on behalf of my constituents of Calgary-Foothills, the outstanding riding of Calgary-Foothills, they sent me here to do my job, to hold the government to account, and to improve their legislation. I know that the minister there is laughing.

An Hon. Member: About Bill 9.

Mr. Panda: Yeah. We can debate that in her own constituency if she wants to choose to debate.

Also, Madam Chair, when the Leader of the Official Opposition named me as the critic for Energy, he didn't expect me to be here and rubber-stamp everything that the government did. That's why I looked at the bill, I brought in three amendments so far to make this bill less bad and make it better, and then they rejected every single amendment we brought forward. These are common-sense, reasonable amendments.

To make this parliamentary democracy and this Legislative Assembly work and to deliver the value for our shareholders, who are the people that elect us, we have to do our job. We have to do the critical analysis of every bill that comes in front of us. That's what I tried to do. Most of my colleagues on this side of the House, all parties, have supported my amendments so far, but the government rejected them. I see a pattern here.

Today we saw that Motion 505, a private member's motion, which, if passed by this House – although it is symbolic, this government blindly rejected it for ideological reasons because they want to keep their federal ally Justin Trudeau happy. They chose Justin Trudeau but not the people of Alberta. It's a shame because federal Liberals are attacking Alberta with draconian bills like Bill

C-48 and Bill C-69. If they are passed as presented in the Parliament, no investor will invest in any major energy project, not only pipelines but also the resource development projects up north. With that go thousands of jobs and billions of dollars of investment. That's a common-sense motion, private member's motion.

In this House when this government brought in any bill or legislation that supported Albertans and if we felt that it was in the interest of Alberta, we actually supported this government. But the NDP don't want to work with the opposition. They're not open to take our reasonable, common-sense amendments. They keep rejecting them, but I'm not giving up. I'm trying again.

I'm bringing another amendment to make this bill better. Madam Chair, with your permission, I have the requisite number of copies, and I'll give it to the page and wait for your instructions.

9:50

The Chair: This will be amendment A5.

Go ahead, hon. member.

Mr. Panda: Thank you. Madam Chair, I rise to read this amendment into the record. I move that Bill 13, An Act to Secure Alberta's Electricity Future, be amended in section 2 (a) in subsection (14) by striking out the proposed section 20.21(3) and (b) in subsection (29), in the proposed part 2.2, in section 41.42(5) by striking out "unless the Commission makes an order under section 20.21(3) providing otherwise."

Madam Chair, I will discuss my amendment here. When Bill 13 sets up the capacity market, there will be an initial set of provisional rules prepared by the Electric System Operator and approved by the Alberta Utilities Commission to get the capacity action started. It's also my understanding that there will be a period of haggling, where the Market Surveillance Administrator, MSA, may challenge some rules, and so will some generators. This means that the full market rules won't be ready until 2021. The industry and the regulators need time to sort this out.

Madam Chair, when I say that there will be challenges, I mean it. We have seen recently, when the NDP brought in this climate change plan and carbon tax, which they never campaigned on, that most of the generators and other stakeholders who had PPAs, power purchasing agreements, dumped them onto the Balancing Pool, and Albertans ended up paying billions of dollars. We don't know how much it would be. We only know of a couple of billions as of now, but there will be lots of future costs, which this government has not accounted for. They're hiding this. That's why I'm bringing this amendment, to make sure that we know all the costs and also that there is some certainty for the investors to come and invest in renewable energy options to provide stability to the grid. Generators in the capacity contract under the provisional rules before 2021 do not want the provisional rules changing on them until their contracts under the provisional rules expire.

The bidders are bidding now based on some provisional rules, and the regulations and other information would come into force before 2021. So investors really don't know what those regulations are going to be, what changes the government would make during the course of time. How can you award a contract and then change the terms and conditions after signing the contract? A contract is supposed to be a sacrosanct document. Generators want to bid for capacity with confidence. If the terms and conditions under the provisional market rules change after a capacity contract is signed, the old rules must apply to the capacity contract until the contract runs out. It's just common sense, Madam Chair.

This means that the first capacity contracts will have to be short in order to align with the finalized rules, which will come in around the end of 2021. That's fine. The industry can deal with that. But

the provisional rules have to be like a trial run and allow the trial run to run out. They can't be temporary rules. Temporary is not the same as provisional. The rules can't be interim either. Interim is not the same as provisional. Provisional means provisional, Madam Chair.

I cannot emphasize enough that the minister and the Electric System Operator and the Alberta Utilities Commission can't go changing the provisional rules midstream and expect people to bid and invest in capacity. It just won't work, and this amendment, amendment A5, would strengthen Bill 13 and help the minister to avoid a potential pitfall in implementation of the capacity market. This amendment gives investors, who will supply backup generation for renewables, the confidence to invest in Alberta.

Madam Chair, I discussed why I brought this amendment. I'm hoping that common sense will prevail, and I'm urging the members of the government party here to be, you know, receptive of good, common-sense ideas coming from across the aisle and to make their bill better and regain the trust of Albertans because today nobody trusts them. If you look at the polls in my riding in Calgary-Foothills, the NDP are probably in single digits. That's kind of the sense I got at the doors when I was door-knocking in the last several months.

If they want to regain the trust of Albertans, make this bill better by adopting these amendments that I proposed, and also respect democracy. You know, just don't blindly reject the good ideas coming from the opposition. I wonder. The Leader of the Official Opposition was in Parliament for 19 years. I don't know if you had the same experience of being rejected while you were in opposition or while you were in government, simply rejecting common-sense, reasonable amendments from the opposition.

I have been trying for three years now, and this government: every time we ask them for economic impact analyses of their bills, they simply reject that. They say, "No, we won't share that with you," or they won't even tell you if they have that information or not.

They brought in so many – so many – bills that changed the economics of this province and that are going to, you know, land us at \$96 billion of debt in three short years, three more years. Albertans are not ready because that's not what they were told before they elected this government. When this government presented their election platform in 2015, they never talked about a carbon tax, they never talked about the \$96 billion debt that they're going to cause to Albertans, and they didn't talk about the potential \$3.7 billion to service the debt of \$96 billion.

This is about trust. This government is attacking Albertans with higher taxes, with red tape regulations, and then they're actually siding with the federal Trudeau Liberals, who are attacking Alberta with bills like C-48, C-69. We keep trying with this NDP to work with the opposition and, you know, at least debate with us on these kinds of amendments. None of them stand up and talk about these things. Their only interest is in partisan personal attacks.

10:00

I'm actually losing interest in this House by hearing this kind of negative approach from the government. I mean, I tried to talk to the Speaker a few times. At least it's not working for me because the people of Calgary-Foothills sent me here to do my job, and then this government is not giving me any opportunity to do my job in a reasonable way. I'm really thoroughly getting, you know, disillusioned in electoral politics because that's not why the people sent us here. They sent us with hopes that we'll contribute to the debate here and make the legislation better and make life affordable for Albertans.

Today with all these taxes and tax increases and you name anything – minimum wage, carbon tax, higher income taxes, and all

these ideological regulations they bring in which have unknown costs – I can't even account for it. I can't even size it up to my constituents. When I'm door-knocking, they're simply asking me: how much will it cost? I say that I keep asking the government, but they're not telling. They're not sharing the economic impact analysis of their policies, so I'm not able to answer my constituents.

But, anyway, I'm not giving up. I keep trying because I'm paid to do my job. I hope and I urge members of the other side to actually debate this amendment and make this bill better so that electricity prices won't go up unreasonably. At least we should take control of that file. We can't leave it open because the NDP is not telling them. They're saying that they will cap the power prices at 6.8 cents per kilowatt hour, but in April the taxpayers paid \$9 million extra to cover the cost, the differential cost over 6.8 cents and the actual cost. Just in that month of April the government of Alberta paid \$9 million.

During the budget estimates I asked the Minister of Energy so many questions. I didn't get any answers so far. I even asked the minister: Minister, if you don't have the information, at least commit to table it later or write me a letter or send me the information in whichever mode you want to use. No. I haven't heard back till today.

Madam Chair, tell me: how can I serve my constituents if this government keeps ignoring reasonable requests on behalf of my constituents of Calgary-Foothills and the Calgarians who sent me here? We're here to do our job, not to rubber-stamp this government's ideological policies without assessing the impacts of the bills and legislation they bring forward in this House.

I'm asking all members of this House to at least review this amendment. Tell me why they agree or why they can't agree. If they agree, let's pass this amendment. If they don't agree, let them give me some reasonable answers why they oppose this and just don't blindly oppose it.

Investors are looking for confidence in this new electricity operating system. Today they don't have that confidence. If they keep changing the rules midway through, after signing the contract, then they are going to lose money and they are going to drag us to the courts and Albertans will be on the hook to pay for it. That's why, to avoid that, I brought in this amendment. If the government says, "No; that's not the intent of this amendment," let them speak up and let them tell me how they want to address the problem I raised via this amendment.

Thank you, Madam Chair.

The Chair: Any other members wishing to speak to amendment A5? Chestermere-Rocky View.

Mrs. Aheer: Thank you very much, Madam Chair, for the opportunity to speak to another excellent amendment brought forward by the Member for Calgary-Foothills. Thank you so much again.

There are a lot of reasons that many of these amendments have come forward. We just had the government vote against an amendment that gave them the opportunity to bring language back into this legislation that would allow Albertans to feel that they could have gained trust in the government, that would tell them that they had the fair, efficient, and openly competitive ability to make sure that as things come online, that is the mechanism that is being used.

I was mentioning earlier that we had language in previous bills that have led up to this bill that we're dealing with right now that removed the words "transparency and accountability" from the language that was used within that legislation in order to give extraordinary powers to the Minister of Energy to be able to bring

renewables online without debating or bringing up any of that legislation in this Legislature to allow Albertans to understand what is happening. Instead, we've had a cap brought in that basically hides from Albertans what is going to be happening to them with respect to paying for energy.

There are a couple of things that I wanted to bring up. Mostly, when we're talking about making sure – it's one thing to be able to say that it's fair, efficient, and openly competitive to the average Albertan, but where that's really, really important is when you are wanting to attract investment. The assumption in Bill 13: the capacity market was brought online because in order to attract investment, you have to subsidize these particular markets coming on because they are not able to hold their own in an open and free market. So you have to be able to create legislation to be able to allow the minister to subsidize these items coming on. This particular amendment brings to light what has to happen in order to make sure that investors feel confident that should they invest, that contract is not going to change at the last minute, because they can't trust that the government is going to keep their word.

We simply have to look at what's happening federally with the pipelines and at what happened provincially here when the entire concept of social licence was used and thrown out on the shoulders of Albertans to make the assumption that that would buy them a pipeline. Well, not only are they paying a carbon tax, but now they have to pay for the pipeline. The social licence didn't work, and it was sold to Albertans to make the assumption that that would be what would happen.

Now we have an entire new market, Madam Chair, that is coming on, a capacity market, that requires buy-in from folks that require subsidies in order for them to be able to function and to be able to bring their electricity online. But then, on top of that, there is no protection of any contract that could be brought on. That could change at any moment, which could cause another boondoggle. I mean, we were just talking earlier about the cost to Albertans, that we actually understand, from the PPA debacle and everything that came from that.

I'm going to go back in time, just for a little bit of fun, when we were talking about Bill 34, which is the precursor to many of these bills that have come after this as a result. So we had the PPAs, and we had the fact that the carbon tax triggered the "more unprofitable" clause within the PPAs, which triggered an entire situation where not only did the PPAs have to be returned, but the government ended up suing itself and Enmax in order to try and get this boondoggle back on track. So we have that, but then we also have the fact that Bill 34 basically made a loan to the Balancing Pool and guaranteed obligations to the Balancing Pool. It was a blank cheque, a blank cheque that the government signed to the Balancing Pool in order to compensate for the rate riders that were there initially, that actually solved that problem all on its own in the deregulated market.

So we have the PPA debacle, we have the PPAs being turned back, we have the stranded assets, we have the suing of Enmax and the government basically suing itself, we have Bill 34, which had a blank cheque going to the Balancing Pool in order to be able to compensate for dollars that actually were brought in by rate riders in the past – it's an unchecked loan – and now we have Bill 13, which had to come in for the capacity market in order for investors to be able to come in line to be subsidized.

10:10

We have the hon. Member for Calgary-Foothills trying to make amendments to help the government show that it can gain trust back from Albertans, which they voted against, and now to protect the investors that are actually coming in so that their contracts will

actually be honoured by this government, which is very hard to believe given the fact that they have already sued people that were involved in the original contracts in the first place. I would assume that this amendment would be very good for the government because it gives them the opportunity to say: “No. When these contracts come online, we will honour those contracts. We will make sure that we honour what we have told the consumers.” But the government is not willing to do that.

You know, it’s amazing. I was talking about Ontario Hydro before. Did you know that “hydro” is a dirty word in Ontario now? It’s a word that’s used for all of the various kinds of electricity that are online there. It doesn’t just mean hydro. When you say hydro, it means nuclear, it means all of the very, very complex and very diverse types of electricity that are in Ontario. Why is it a dirty word? It’s because of the cost to the people in Ontario.

I have a couple of stories here, and I will table these articles. This is an interesting article from the *Windsor Star*: The Highest Electricity Rates in North America. It says, “Thanks to 13 years of Ontario Liberal scandal, mismanagement, and waste, our province’s Hydro One customers officially pay the highest residential electricity prices in North America, surpassing the tiny island state of Hawaii.”

An Hon. Member: You’re kidding, right?

Mrs. Aheer: No. I’m not kidding.

And put in the perspective that Hawaii is in the middle of the Pacific Ocean. It is thousands of miles away from generation. This is how unbelievably mismanaged this file has been in Ontario, and Alberta is headed down the same track because of this government. The exact same track. On top of that, it’s hidden. It’s hidden.

To continue on with this article: “Since the Liberal Government first took office, average households are now paying more than \$1,000 extra on their annual hydro bills.”

An Hon. Member: Wow.

Mrs. Aheer: Yeah.

Think about that. We’re not there yet. I have one constituent who said that theirs had already gone up \$302 – this was a farmer – \$302, and that is just on a small piece. That doesn’t include the industrial piece, which is not protected by the capacity market.

How is it that as a government you can just shift the cost to the taxpayer, wipe your hands of it, and just say, “Albertans are on the hook for this,” but you’re not willing to be honest and put a rate rider on there so that when the customer sees the bill, they understand what they’re paying for? We have zero utility debt in this province right now. This government is going to change all of that. Our children and grandchildren are going to be paying for this capacity market long past the time that I will be here.

On top of that, they don’t even take into account the build that is going to be necessary to bring on this new capacity, new generation. To speak even more to what the hon. member was saying about this particular amendment, it doesn’t even talk – and this is actually super important – about the contracts that are going to be made for the people who are building this capacity. Is that even taken into consideration? I don’t think so. It’s certainly something that you would need to talk about, especially if you’re making contracts with these folks.

In Ontario do you know what Andrea Horwath said? She said that if she’s elected, she’s actually going to shut down the Pickering nuclear power plant. That’s 3,000 direct jobs and 15 per cent of their capacity. Isn’t that interesting, considering that the Liberal government spent billions of dollars? People have to choose between whether to heat or to eat in that province, and the NDP, that could

possibly be in government, is willing to take electricity offline. Why? That’s over 3,094 megawatts taken offline. Sixty per cent of the capacity in that province comes from nuclear.

I’m curious. Is that what we have in store here for this province, that they’re going to do all of this with smoke and mirrors, bring it online, and then just decide one day that they’re going to take it offline because it didn’t work? You can’t supply the capacity that you’re promising because when the wind doesn’t blow and the sun doesn’t shine, it’s not possible – you have to have baseload capacity, so the taxpayer is paying for that – then on top of that you have no ability to be able to promise Albertans that they are going to be able to get what they deserve from the other capacity that’s been online because the minister, with her extraordinary powers, can bring that on without telling anybody how, where, when, and how much it’s going to cost.

In fact, aside from some of the base numbers that we have from stranded assets, what happened with the PPAs, and any of the other dollars that have gone to the Balancing Pool, the \$750 million that was paid off to the Balancing Pool in the initial debacle with the PPAs, those are the only dollars that we know about. The rest of that: we have absolutely no knowledge about what it’s going to cost the taxpayer, and the government thinks that that’s okay and then on top of that is expecting investment to come in and can’t make any promises that those investors will be respected with their contracts because that’s not what they did with the previous contract holders.

They turned the PPAs over, cost the taxpayer billions of dollars, reneged on the contracts that were there for the 20-year period, said that they didn’t understand it even though we know from everything that we’ve read and put together that they knew what would happen once they turned the PPAs back – we absolutely know that that was the case – but still reneged on those contracts. So how are we supposed to convince new investors that are coming online that they will have an honest contract with this government when at the flip of a switch when it suits them, they’re just going to turn them over?

That’s why the Member for Calgary-Foothills has brought this amendment forward. At the very least if they’re not willing to take amendment A4 and put back fair, efficient, and open competitiveness into the language of renewables coming online, if they’re not willing to bring back accountability and transparency into the language from bills 34 and 27, that were done in the previous session, in order to bring this capacity market to light, they’re not willing to bring that language on, at the very least they might want to protect the very investors that they’re asking to trust this government with the investment that they’re bringing online. As I’ve said, the market isn’t deciding on this. This is a false market. This is something that is coming on because the government has decided that they are the decision-makers. They’re going to make this decision on behalf of Albertans regardless of how much it’s going to cost them. Then, on top of that, we don’t even know what kind of legislation is going to come out for the industrial users like our farmers because they’re not protected under this cap. Then what happens?

A user is bringing this online to bring to the government with absolutely no promise from them that they will uphold those contracts, whether that is bringing on generation, whether that’s in retail, whether that’s distribution or the building of the infrastructure. As I understand it, it could be possibly as much as \$800 million minimum to bring on new infrastructure to tie in different kinds of generation.

I have 40 solar panels on my house. It’s wonderful. I love it, wouldn’t change it for the world, but let’s talk about that for a second. They have a 25-year life. There’s no way to recycle those in this province. In fact, I’d have to send them back to China in

order for that to happen. It's cheaper to actually ship them from China than to get them from anywhere else. On top of that, do you know how much coal-fired intensity it takes to make silicon in order to make those solar panels work?

There is so much new technology out there, but that new technology needs to be inspired by a government that allows that technology to happen so that the market decides, so that they inspire people to make renewables part of their life. That's a wonderful idea, but the government is not the one that makes the decision on behalf of Albertans, hides it in a 6.8 cent cap and tells us, "Oh, we're protecting you" even though for anything that happens remarkably over that cap we pay a humongous amount. For every cent we go over that cap, it's a million dollars. Then if wind capacity goes below 3.7 cents per gigawatt hour, the taxpayer is subsidizing that, too.

10:20

Just to reiterate, earlier I was mentioning about how much that actually costs. Just to be clear, this is the average and this was for REP 1. The Independent Power Producers Society said that it indicated that the wholesale price of electricity averaged 1.7 cents per kilowatt hour, way below the 3.7 cents. That's a whole lot of subsidy, a whole lot. But the government doesn't tell you that, nor do they phone farmers or anybody else in this province that happens to be in rural Alberta to tell them that they'd better tie into a fixed rate real soon because if they don't, their prices are going to be out of control. Enmax did that. Enmax phoned a bunch of my farmers in my area and let them know: "You know what? You might want to get on fixed rate." Very nice of them. But they also know what this government does because they've been sued by them.

Mr. Nixon: I guess they forgot about the REAs.

Mrs. Aheer: Yeah. Well, it's interesting. The REAs are an interesting thing. They figured out their situation, but how much negotiation did that take? On top on that, it wasn't considered within this capacity market at all. The REAs had to go to the government, negotiate for a contract in order to not pay more than the average person so that they could keep their REAs going. That didn't happen because the government reached out to them. The REAs reached out to us. We put it in front of the government.

Mr. Nixon: It's true.

Mrs. Aheer: It's true.

I don't think it's very funny. If the government did listen to the REAs, then why wasn't it in their legislation to start with? You can laugh all you want. If you truly believe that you're the ones responsible for that, why wasn't it in the legislation in the first place?

Mr. Nixon: Oops.

Mrs. Aheer: Oops. I can honestly tell you that every single person I talked to did not say: oh, the government came to me and told me, "This is how we're going to work this out." No, no, no, no, no. Actually, it was the member from Sundre that talked to the REAs, that actually pushed to make sure that the government did their job and did right by the REAs in the first place, so congratulations.

Madam Chair, we are giving a massive amount of help here to make this horrible policy better. You know, sometimes when I go back – I have all my *Hansards* here from Bill 34. I mean, we were in here for hours and hours and hours and hours debating.

But we have moms and dads and families out of work. They're genuinely afraid. They're afraid for their children and their grandchildren. It appears the government doesn't seem to grasp the

overwhelming burden of the lack of understanding of fiscal policy. They don't seem to understand that the impact – and we've seen this in other provinces. We have other jurisdictions to compare this to. Yes, the combination of energy is different, but the mentality and the mechanism is the same. Government does not know better than people how to spend their money, and it is our responsibility that if we're going to change the mechanism, Albertans understand that.

The carbon tax was brought in with absolutely nothing coming from this government when they were running their campaign. They said that they would use it for social licence to get a pipeline. That did not work, so they have misled Albertans. On top of that, they're attacking our energy. Look at the cap on the oil sands. The cap on the oil sands: bills 37 and 34 all came in at the same time, a complete and utter attack on our industry at all levels, yet – yet – the government keeps saying that they have Albertans' backs.

What's going to happen once those prices start to spike, once all of these renewables come on? When we get to REP 2 and REP 3 and their bidding for the extra 300 and 400 megawatts, we have no idea of the total cost to the taxpayer. Like, these are coming on without any transparency for the ratepayer or the taxpayer, absolutely none.

I mean, we have Bill 34, that gave a blank cheque to the Balancing Pool; Bill 27, that took the MSA's ability to investigate the market away. We have Bill 13, which basically had to happen in order for the capacity market to actually happen and to attract investment, yet when we give you some much-needed advice on how to attract investment, you're saying no. When we give you advice on how to use your language appropriately, the words – like I said to you earlier, when you use the language "reliable," I mean, it sounds nice. It's a great mandate, but it doesn't stand as a legal term.

Thank you.

The Chair: Any other members wishing to speak to amendment A5? Edmonton-South West.

Mr. Dang: Thank you, Madam Chair. I think it's really important that we take a meaningful look at this and we actually address what's going on in these sections that are being amended here.

I think this section allows the commission to allow an AESO rule change to apply to an auction that has already occurred only if the auction meets two very specific criteria: if it supports the fair, efficient, and openly competitive operation of the capacity market and it is in the public interest. I think that combined, when you look at those two criteria, it sets a very high bar. I think we expect that this test will only be met in certain situations where retroactive change would really be in the best interest of everyone, generators and consumers. An example could be an administrative change to a rule that improves clarity in such a way that generators can operate more efficiently, thus saving consumers money.

I think it's really important that when we look at this, we reiterate that the corrective power here is clearly restricted, and it's a rule that would only apply backward where the AUC makes a clear order on the basis that this application was to support the fair, efficient, and openly competitive, or FEOC operation, of the capacity market and is in the public interest.

I think it's a little bit interesting when we've listened to the opposition for the last two, three hours talk about how important it was that we put the words "FEOC" in that order into this bill, and, Madam Chair, here they are. They're right here in this bill, right there, and the opposition is asking us to strike them out in two places. I think that when we move forward with this, we have to look at it in a really clear light and say that, in fact, these sections add FEOC standards to the capacity market, and they have the

intention to provide a market that works for everybody, consumers and generators. That's why those two very high standards and criteria are set.

Bill 13 I think very clearly does demonstrate those FEOC principles, and when we remove instances like this from the bill, I think we degrade from them. When we move forward and change these very narrowly defined corrective rules that are in place that allow FEOC principles to be used in certain circumstances – and it's not just once in this amendment, but it's actually twice that they're removing the words "fair, efficient, and openly competitive." They're removing those words twice from the bill. I think it's something that we need to be really clear about.

To be very clear, members opposite have spoken about how these concerns can cause political uncertainty for investors and market participants, and that's simply not true. These clauses have nothing to do with the political level. The flexibility is provided to the regulator, which is the AUC, if adjustments are needed to meet that FEOC principle and public interest that the opposition wants to keep talking about. I think it's a shame that they're suggesting that the responsible, expert commissioners of the AUC would try to apply politics to decisions. I mean, the opposition is free to cast those aspersions if they would like.

I think that when we look at this amendment, we see that it doesn't support an efficient marketplace, it doesn't support a fair marketplace, and really we need to reject this amendment. I encourage all of my colleagues to vote against it.

Thank you.

The Chair: Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Well, thank you, Madam Chair. I am not sure if the hon. member is on the right amendment. The hour draws late, and maybe that's why he may be confused. Just a few short moments ago he stood in this Assembly and voted against an amendment that would have changed the language to include a sentence that says, "supports the fair, efficient, and openly competitive operation of the capacity market." That was the last amendment that we were debating.

I'm glad to see that now he is concerned about a fair, efficient, and openly competitive operation in the capacity market with the amendment that has now been moved by the hon. Member for Calgary-Foothills that's before us now, Madam Chair. I'm a little bit concerned and would have some questions to the hon. member why he was not concerned about an open, fair, efficient, and openly competitive operation of the capacity market about 15 minute ago, when he stood in this Assembly and voted against that exact thing. It is a little rich to now stand up in this Assembly after you voted no to that, sir, and then say that you're concerned with making sure that the market is fair, efficient, and openly competitive. Why did you vote against that? But I digress.

10:30

Amendment A4, which has been brought forward by the hon. Member for Calgary-Foothills, talks a lot about the need to honour contracts. It talks about the need to not change rules halfway through. The impact that that has on investors is significant. I think that the hon. Member for Chestermere-Rocky View did an excellent job of articulating that. Through you, Madam Chair, to the hon. member, he did not do a very good job of countering that argument by speaking about something just voted against and did not take any time to address some of the serious issues with very well-thought-out examples, I thought, that the hon. member brought to the Chamber this evening.

You know, I was watching my 11-year-old twins play a board game when I was back home last weekend, on Sunday afternoon before I drove here. I don't know what the game was, but they were playing this board game, and I could hear, as many of the parents in this Chamber from all aisles will understand, that things were getting a little bit angry over there. There was something going on, so as a dad you kind of perk up and start to watch what was going on.

My 11-year-old son was playing this game with his 11-year-old twin sister, and each time he would pull a card, he would say that the rule for this card meant this, and it would go very good for him. Then, shortly after, his 11-year-old twin sister would pull the same card, and my 11-year-old son, Austin, would say: "No, no, no. That's not how it works now. The rules have changed." She was becoming very animated and upset. I don't really blame her. It's pretty frustrating to play a game if the rules are changing the whole way. In the end, she threw the board game on the floor, and that was the end of the board game. I stand with her on that. I mean, I think that it's not fair to have the rules changed. In that case, though, she was able to go elsewhere and enjoy the rest of her afternoon.

The problem is that with what we're talking about here, investors may throw the board game on the ground, but in the end they're not going to come back to our province because they don't trust this government, who is changing the rules halfway through. The consequences are, really, not to the investors, because they're going to go to other regions that don't change the rules, that are more open to them and to making sure that they can do the important work they do of creating jobs in our communities. The people of Alberta will pay the consequence for that.

We saw that in a different context but a pretty big example of that just a few weeks ago, when Kinder Morgan pulled the plug. A private investor pulled the plug on a significant project, billions of dollars of investment that they were going to put into our economy, and then left. Of course, Madam Chair, I'm sure you were as offended as I was that the NDP stood outside and high-fived each other out of excitement that that investor left. That's what they did. They celebrated a job creator who was going to put billions of dollars in our economy leaving and the taxpayer having to bail out an emergency situation because they left.

I can tell you that the investor, Kinder Morgan, did not pay a serious consequence for that, nor should they. They are a private company that ran into a political problem that was created by the NDP government and the Liberal government and the B.C. NDP, but you see in the newspaper today that their leadership received a \$1.5 million bonus because of the deal that they were able to negotiate on the way to cash out of that situation. Clearly, it didn't negatively affect them, but it did affect us because now we have to go and fix that situation.

The hon. member wants to talk about a fair, open market. I'd be curious – and I do appreciate that he has risen because I note that the Energy minister still has not risen to discuss this. So I will ask him: how can you award a contract and then change the terms and conditions? Maybe he'll answer that.

The Chair: Chestermere-Rocky View.

Mrs. Aheer: Thank you so much, Madam Chair. I actually would like to try and unpack what was said by the hon. Member for Edmonton-South West.

A couple of things. When you're creating policy on such a complex issue, broad statements that the FEOC is only changed under certain circumstances – when you talk about all of a sudden that the AESO will make decisions based on the public interest in

certain situations and retroactive charges, that the rules are going to be changing based on that, that's a pretty subjective group of rules.

Just to be clear, if you're removing fair, efficient, and openly competitive from any part, whether that's one or 15 items, that actually makes sure that the AESO can meddle with the capacity contracts if the meddling is compliant with the FEOC. Basically, when you remove that, you're giving the AESO the ability to meddle because it's not in the contract in the first place. On top of that, the most interesting part is that the AUC is the one that approves the meddling.

I don't understand how the member can say that this amendment degrades the legislation. We're trying to help the legislation. By what the member just said, if I understand correctly, he is okay with the AESO meddling with fair, efficient, and openly competitive as long as that meddling falls within the auspices of what their general legislation says about the public interest in certain situations.

Then he goes on to explain about flexibility and responsibility. This is not legal language. Flexibility and being responsible fall under the mandate and the vision of what a piece of legislation looks like. We need to have clear, concise language and then, on top of that, clear and concise promises from the government regarding their ability to actually follow through with the promises that they are saying they're going to do.

If the member would like to respond to that, that would be wonderful. I don't understand how the member could be okay that the AESO meddles in capacity contracts as long as the AUC deems that that meddling is okay.

Thank you so much.

The Chair: Any other members wishing to speak to the amendment? Grande Prairie-Smoky.

Mr. Loewen: Thank you very much, Madam Chair. I'd like to get up and just say a few words on this, too. Here we are again talking about electricity. This government has been working on electricity since they were elected, since 2015. They've been passing bills in this Legislature, and from the time they first started and created their first problems by messing with the electricity system, they've been here time and time again passing legislation as damage control for the legislation that they previously passed. Obviously, if they had left it alone to begin with or maybe just tweaked a few things here and there, they would have saved themselves a whole pile of work and saved Alberta taxpayers and ratepayers a whole pile of money.

Now, when I look at this government and how they operate, I'm thinking about the Trans Mountain pipeline. You know, this government swore up and down that if we do a \$3 billion carbon tax to Albertans, we're going to get a pipeline. Then they said: well, if we do a wine boycott, then maybe we'll get a pipeline with that. That didn't work either. Then they thought: "Well, maybe a \$5 billion carbon tax will work. If we agree with Prime Minister Trudeau on his, then maybe that'll work." No, that didn't work either. "Oh, we'll pass Bill 12. We'll tell everybody that we won't use it. Maybe that'll work to get a pipeline." Of course, that didn't work either. What did we find out that works? Well, if you buy a 65-year-old pipeline for 4 and a half billion dollars, that's a good start. Then if you take another \$8 billion to \$10 billion to build a pipeline, then I guess that works. This government over and over again is – it's like they're practising on Albertans instead of actually governing and doing things right.

10:40

You know, the Member for Edmonton-South West got up and said: "Oh, there's no uncertainty in the market. There's no

uncertainty here." Madam Chair, that's just not true. I mean, there's a lot of uncertainty in the marketplace because of what this government does. I think what's most frustrating a lot of times with what this government does is that it moves the goalposts. There'll be rules in place, and a business will come along and say: "Okay. This is what I've got to do; this is what we'll do." They go through that whole process. Then all of a sudden government comes along: "Well, no. That's not good enough. We're going to do this. We're going to change the rules as we go along." There's no way there could be certainty in the marketplace when a government keeps changing the rules as they go along.

Madam Chair, I do want to point out that there isn't one member of the government side right now paying attention to any of this debate, not one. We have the Infrastructure minister, the Health minister, Environment and Parks minister, Service Alberta minister all here. Not one of them is paying attention to this debate.

The Chair: Hon. member, we do not mention the presence or absence of any members. I would ask you again: please refrain from doing that.

Mr. Loewen: Okay. Thank you very much.

Now, Madam Chair, the only thing we know for sure is that the prices of electricity are going up. Everything that this government has done with the electricity market has caused prices to go up.

Now, another thing we have to say here, too, is that this government, you know, has tried to incent all of this renewable resource, renewable power generation coming into Alberta, wind power and solar power and everything. They talk about this like it was never happening in Alberta before, but of course, Madam Chair, we know that there was wind power here in Alberta before. That was long before the NDP government came into power. Of course, this government comes along, and they want to change the system. They want to take taxpayer dollars to incent things. There are just a lot of things that this government is doing that have been hurting Albertans.

Again, Bill 13 is something that will make electricity more expensive for consumers by transferring more risk away from the generators. So I think Albertans have lost their trust in the NDP government when it comes to electricity because time and time again they've done these changes over and over again. They've done changes to the electricity market, and every single time it's cost Alberta taxpayers more money.

They even put a cap on electricity. Obviously, they knew that the price of electricity was going up, so they would have to put a cap on it to make it look like it wasn't as expensive as it really was. Of course, we know what happens with caps. The electricity might not have cost that much, but obviously somebody has to pay for that, and the only other way to get the money is to take money from the taxpayer. Well, Madam Chair, the taxpayer and the ratepayer are the same person. They're Albertans. So it doesn't matter how it's paid for; it's still them paying.

Now, we've even written to the Auditor General asking for a full cost accounting of all the electricity changes this government has done. It's going to be interesting to see what happens there, I think. We know it's cost billions of dollars; we're just not sure how many billions of dollars.

We talk about the phase-out of coal-fired generating plants that this government has done. Now, we were to phase out 12 of the coal-fired generating plants by 2029. That would have been on their natural cycle, wouldn't have cost taxpayers anything to do that. Of course, this government comes along, and they want to phase out the six remaining coal-fired generating plants sooner than their life cycles would have run out. Of course, that's what costs money,

when you do something sooner than the company that's built that infrastructure has had a chance to recover their costs and make some money at it. So this phase-out is costing somewhere in the neighbourhood of \$1.3 billion to shut them down early or convert them to natural gas.

Some of these plants were practically brand new. Keephills 3 was supposed to run until 2061. Genesee 3 was to run till 2055. I mean, that's a lot of years of lost production of these generating plants. Of course, some of these newer generating plants were far better at burning coal clean than the older ones. Of course, some of them will be converted to natural gas, but those conversions probably aren't going to be as efficient as the brand new combined-cycle natural gas power plants. Of course, the NDP wanted to force renewable electricity on the Alberta market, so they've forced these things to happen.

Now, the AESO ran many models, including for high use of intermittent renewables to generate electricity in Alberta, and their modelling showed that a renewable electricity program will decrease revenue needed for all generators to recover investment and earn a profit, thus deterring investment. That's AESO. That's not the Official Opposition here doing these things. This is an independent organization that's done this modelling to show this. But, of course, the government has ignored these things and has gone ahead with their plan and their ideology and pushing it through.

Now, the AESO report from October 2016 also said that "system reliability will be compromised." Of course, this government talks about that all these changes are to increase reliability, but AESO is suggesting that it's actually the opposite. So, Madam Chair, obviously, this government needs to take a little time to think about these things, and when we bring forward amendments to their bills, that's the thing we're suggesting. We're suggesting they take a little bit of time, pay attention to what we're suggesting, give it a chance, and see if there's something there that we could use to help relieve the cost and the burden to Albertans.

Now, the NDP, you know, purposely compromised the electrical system's reliability and did this without a guarantee that the peaker plants would be built to produce electricity when the solar and the wind isn't generating electricity. That's why they've come up with this idea of the capacity market.

Madam Chair, I think that when we look at all these things, we see that there's no doubt that these things that this NDP government has done will increase the cost of electricity to Albertans. Nobody is fooled by the electricity cap because they know that if the cost of producing electricity rises above the cap, then that money has to come from somewhere. If these generating plants can't generate the electricity based on the government rules for the 6.8 cents a kilowatt hour, then somebody has to pay for that. Of course, we know that the government is planning on backstopping those costs and, of course, with taxpayer money. So even though it may not show up on the electricity bill, it'll show up in the tax bill for Albertans.

Madam Chair, I think that if this government would look at this amendment and realize that it is a good amendment – it's one that could help this bill and help Albertans – then I think they should do that. I mean, we've just had them turn down amendments. We're talking about a fair, efficient and openly competitive operation. So I guess we should never be surprised in what this government will or won't accept in an amendment when they won't accept fair, efficient and openly competitive markets.

Madam Chair, I'd encourage all my colleagues here in the Legislature to support this amendment today. Thanks.

The Chair: Any other members wishing to speak to the amendment? Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Chair. It's a pleasure to be able to rise and speak in support of this amendment by my hon. colleague from Calgary-Foothills. As I've been listening tonight to the debate, I've had the opportunity of being able to read through an article from the *Globe and Mail*. It's entitled Why Does Ontario's Electricity Cost So Much? A Reality Check. This is a very interesting article.

One of the things that I've found interesting about this job as an MLA is that we are required to understand or learn about a lot of different industries and get our heads around these industries. Now, look, that can be dangerous, Madam Chair, because we're not gurus in our area. We don't have 40,000 hours' worth of experience in this industry. At least, I certainly do not. But as I've taken a look at this whole bill, Bill 13, in general, I've seen that this government is trying to figure out how to fix an original problem, the original problem being the carbon tax.

10:50

Now, what's interesting is that if you take a look at this article in the *Globe and Mail*, it goes through and talks about their experience. I imagine that after reading this article here, the NDP took a look at what was going on here in Alberta and decided that they need to actually go to a capacity market and follow something similar to what Ontario did. The disturbing thing about this is that our situation, Madam Chair, could be substantially worse because of where we started from. Ontario started with 30 per cent, a third, of their capacity as nuclear, yet it produced 60 per cent of the electricity for Ontario. Here's what's interesting. In Alberta a majority, two-thirds of our electricity, is produced from coal. The outcomes are going to be so much worse because our starting point has been so much more in terms of coal. So Ontario's goal was to be able to go green, to be able to decrease the reliance on coal, which was only a third of what they were using to produce, yet we're two-thirds.

It's interesting because there's a part here where it talks about where they were able to get to after years and years of trying to be able to go green. It says here that "the second-largest source is hydroelectricity, which accounted for 24 per cent of generation in 2015, followed by natural-gas plants (10 per cent) and wind power (6 per cent)." Then it says that 1 per cent was solar. So the total between wind and solar: 7 per cent is what they were actually able to produce.

Now, our government is trying to be able to get to 30 per cent between solar and wind. The cost to Ontario to try to be able to make that transition has almost bankrupt that province, yet we think – I shouldn't say "we" because I take no credit for this. The NDP government believes that they can go to 30 per cent in renewable electricity and somehow figure out how to do it without causing us to go bankrupt.

The concern that I have is that during PAC, I asked how much of the producers' capacity we would have to pay for. So we've moved into a capacity market, and the question that I wanted to know was: if a wind company has a capacity of 50 megawatts but only produces 10 megawatts, will they be paid for their ability to produce the extra 40 megawatts? The answer was no. So I asked them how much they would pay. After a lot of stalling, they said that they didn't know but that they thought it would be around 20 per cent.

Now, it sounds like a great deal, right? You build it, and the government is guaranteeing 20 per cent more than you can produce. If you just set up a wind farm and you're only going to produce, you know, a tenth, it may be very profitable. They don't even know what the percentage is going to be, but it may be very profitable for them. I think that is the only reason why we're seeing people come

into this market, because of that payment by the government for what their capacity is versus what they can actually produce.

Now, my hon. colleague is proposing that the provisional rules don't change, that there is a modicum of certainty that these companies can have. But I would have to submit, after taking a look at this article, that the certainty that they're going to get or that they feel they can get is in those 20-year contracts, where they can get payments for capacity versus what they're actually producing. Once again during PAC, when we asked the question, "Well, how much are they going to be paid of their actual capacity?" they didn't know. Either they didn't know or they weren't telling us. They refused to tell us.

Now, I would think that if you're going to create a capacity market and create something that is going to be sellable to Albertans that at least you'd be in a situation where the government would know what the final costs are going to be to Albertans. After seeing the debacle in Ontario, which cost the Liberal government there this election – Premier Wynne said it herself the other day, that she's not going to get elected, and the main reason is because of these out-of-control electricity prices. In fact, this article says that in some places they saw almost a hundred per cent increase in the cost of electricity.

Now, it goes on to talk about why the electricity is so expensive. It gives a historical background, then it goes on to talk about why it's so expensive, and then it goes on to talk about what the solutions are. In talking about the electricity, why it's so expensive, as I read through this section, it's almost identical to what is being proposed by this government. It says, to start out with, that

the Liberals had been elected in part on a promise to close down the province's coal-fired power plants.

Very similar to what this government, the NDP government, has stated as well.

So the government went on a building spree, upgrading aging infrastructure and commissioning new natural gas, wind and solar plants to replace the coal plants.

Again it sounds very similar to what this government has been doing. However, it's interesting. In this article it says:

Ontario Hydro [a government organization] decided [that they were going] to outsource the work of building and running the new power plants to the private sector.

Now, when I asked the government in PAC why they felt that this was going to work, where was their magic bullet or silver bullet, they said: well, we're doing it differently because we're going to outsource and have a competitive bid.

It says here that they went for 20-year contracts, the same thing that's happening here. We're outsourcing to have these things built and managed by the private sector. I don't see the difference. Then it says:

The contracts essentially guaranteed that the companies would receive a certain amount of revenue – no matter how much electricity their plants produced.

That sounds like a capacity market, Madam Chair.

What's interesting is that, again, back to the history of this, in Ontario ultimately the province built more than it actually needed. Go figure, Madam Chair. You have a situation where they're going to receive a guaranteed return on investment anyways no matter how much they built. Well, how much did they build? Actually, on an average day the average Ontario electrical need is about 15,959 megawatts. They built 30,203 megawatt capacity. What is to say that we won't be having the same kind of thing happen here in Alberta, where this capacity market will be overbuilt to the point where we no longer have control over the building costs and now we're in a situation where we're paying for way over capacity to what our needs are?

11:00

This is very disconcerting. As I've read through this article, I've seen how similar the program that this NDP government has established and set up is to what the Liberals in Ontario set up. What I'm amazed at is that the media here has not covered this more. This is a disaster waiting to happen. In fact, it's a disaster in the process of happening. We've got fixed-income homeowners, fixed-income seniors, people on AISH, people in the margins that will be affected by this far more than anybody else. This is the government that was supposed to be the champions of these people, yet they're creating a system that is going to be helping to hurt these people on the margins. I don't understand it. As I've tried to get my head around these different bills and the capacity market and how it works, I am shocked to see that after having seen this whole thing play out in Ontario, we're doing almost the exact same thing. This government is blindly moving forward doing this.

This amendment, once again, is making a very bad bill less bad. The reason why I'm in support of this is because the NDP government up until this time has refused to even listen to our voice of warning, our voice of warning that this is a train wreck in the making.

Is this the silver bullet? Is this what's going to fix this thing? Absolutely not, Madam Chair. This is just going to make it less bad. But in the hope – in the hope – that we can at least have companies that are willing to actually get in here and invest and have that certainty for investment, I think that this is a reasonable amendment. I have no doubt that the Member for Calgary-Foothills has put a lot of thought into this, realizing that the government is not willing – absolutely not willing – to take a look at what really should be happening, and he is trying to make it the least bad that he can. That's his job as the critic for Energy, to try to critique these bills and to be able to figure out: what is the best solution out of a slate of bad options? That's all I can see here.

Like I said, Madam Chair, I'm shocked that this government is taking our Alberta down this road knowing full well what has happened in Ontario and is not willing to address this issue and even let Albertans know what's going on. I speak in favour of this amendment, not because it is an amendment that makes this bill better, but at least it is an amendment that says, you know: let's create some kind of certainty for our investors so that they will come in and, hopefully, will drive the price down when they bring in the contracts.

With that, Madam Chair, I will be supporting this amendment.

The Chair: Any other members wishing to speak to the amendment? Olds-Didsbury-Three Hills.

Mr. Cooper: Well, thank you. It's a pleasure to rise and speak to the amendment that was so aptly proposed by my colleague from Calgary-Foothills. I think it's an important amendment, particularly when it comes to creating fairness in the marketplace and ensuring that there is one very clear set of rules.

You know, one of the things that we've seen time and time again, even with respect to the PPAs, is that this government essentially changes the rules midstream. Why they got into this whole mess in the first place was because they either should have known or knew and acted anyway about clauses in the legislation. Then they changed the rules on the providers. As such, it provided them the ability to turn back those PPAs, and now we're in the bad spot that we're in, all because the government made a poor decision about the PPAs and changed the rules mid-game. That's exactly what this amendment will propose, will ensure, that the rules will continue throughout the length of the contract and don't change the terms and conditions associated with that contract, particularly with

respect to generators. Generators who win a capacity contract under the provisional rules don't want those provisional rules changing on them.

You know, Madam Chair, it's a bit like a hockey game where you've played the first period and the second period and the third period all under one set of rules. Then you go into overtime, and without letting either of the teams know, you set out a set of rules that is going to take place only for overtime. But you fail to let the teams know, or in fact a worst-case scenario would be that one team gets to play with five players and the other team gets to play with four or whatever the case may be. Everyone – everyone, every Canadian – would know that that's unfair. Changing the rules in the middle of a hockey game: what could be more un-Canadian than that?

But here we see inside the legislation the opportunity that the provisional rules could be changed. The amendment, then, would ensure that those rules would not change and that, in fact, the provisional rules would remain for the duration of the contract. If the terms and conditions, the provisional market rules, change after the capacity contract is signed, then the old rules must apply to the capacity contract until that contract runs out. This means that the first capacity contract will have to be shorter in order to align with the finalized rules, which will come in around 2021. The minister, the AESO, and the AUC can't go changing the rules midstream and expect people to bid and invest in the capacity market.

We've seen the government – this isn't the first time that industry will be concerned about them changing the rules. In virtually every aspect of Albertans' lives, in some respects, the rules have been changed by this government. Whether it's the labour rules, whether it was the rules around farm workers, whether it was the rules around PPAs, whether it was the rules around carbon taxes, time and time again this government has a habit of changing the rules. In this case the thing about this rule change is that the rule change will not even have to come back to the Legislative Assembly. They can just change it, essentially, at the whim of a minister.

11:10

Any time that you're creating legislation that gives such authority, ability, and powers to the minister to make changes to provisional rules or any other term of a contract, it creates uncertainty in the marketplace. Those who are investing: one of the key things that they look for and require is investor certainty. When you pass legislation that creates, potentially, confusion or doesn't provide them with the certainty of the rules not being changed, it certainly causes industry to take stock of that and to potentially even make other decisions. We've seen a significant amount of investment flee our province, particularly in the early days of this administration, when folks were unsure of what was going to happen. We saw major, major, major investments leaving the province. In fact, just this past week we saw another major oil and gas producer, in the form of a pipeline company, divest their assets here because of political uncertainty in the province of British Columbia.

So now the federal government has needed to step in and bear some of that risk of uncertainty, and we will continue to see this all across a wide variety of industries. In this case we'll see this in the electricity marketplace, that rules that have the potential of changing do not encourage investment. They do the opposite of that. It's unfortunate that the government, with a very simple amendment, would be able to provide the sort of certainty that industry is looking for, that the rules provided under the initial capacity contract, those provisional rules, would not change. The terms and the conditions of the contract that they have believed to

be true would then, in fact, be true, and this amendment would provide the legislative certainty that that, in fact, would be the case. If the government made a decision, then, to change that legislative certainty, at least they would have to come back to the Assembly and have the scrutiny that the Assembly could provide.

It's not just this government that's the problem. Potential governments down the road, all the way to 2021 – that has the potential of being a couple of governments – in fact, may want to change those rules. While this government may have good intentions – although I'm not entirely sure that they do – it is unclear as to what will happen in the future. So we need to create a legislative framework that provides that certainty into the future and on a go-forward basis. It is a reasonable amendment. I think that most members of the government will agree that keeping these contracts in an investment climate like Alberta's is important. I think that most members of the government can now see what happens when you change the rules midstream. It literally costs Albertans billions of dollars.

That's what happened the last time they changed the rules without coming back to the Assembly, essentially turning the dials on the electricity market. They turned one dial, and it created a whole cascade effect, all down across the market and across the grid. That created such, such, such chaos within the electricity system that we are well and truly on the way to replicating the damaging impacts of the Ontario electricity market. You know, literally, an election is going to be won and lost on this very issue. This sort of certainty, a small amendment, could have a positive impact on the government's poor decisions.

It was interesting to see the Premier of Ontario concede the next election well before – well before – the actual voting day. I wondered if that is a path forward for this particular government as well as we move towards the next election. What might in fact happen with the stack of poor decisions that this government is lining up? In fact, perhaps they will be willing to concede the election prior to the next election, just like we saw in the province of Ontario early this week when what we could almost say is former Premier Kathleen Wynne conceded the election five days prior to the actual vote taking place.

Every day in the Assembly the Official Opposition provides ideas and amendments that the government ought to heed to prevent some of these challenges for them in the future. Unfortunately, it is on very, very, very rare occurrences that they heed our advice.

Tonight would be a great night for them to do that as it would make a bad bill a little bit better and provide a little bit of additional certainty to the marketplace. I encourage them all to support it.

The Chair: Any other members wishing to speak to the amendment? Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Chair. Happy 11 o'clock – what time are we at? – 11:16. I just wanted to again mention that I just think that it's imperative that we – sometimes if you can talk about something enough and maybe come up with enough arguments, we'll be able to convince the government at least to consider some portion of what it is that we're trying to accomplish here.

Again, just to reiterate, we just need to make sure that I would be – it's very important to understand that so much of why we're here and why we're discussing this is because of some very, very seriously poor and very dangerous legislation that has come before this that puts our taxpayers, our ratepayers, the Albertans that we represent on the hook for every mistake that is being made by this government. It's interesting because the government has no problem pointing out previous government boondoggles and all those kinds of things. You know, every government is going to

make its mistakes, for sure. There's an immense amount of things to pull from from any government anywhere at any time.

The interesting thing, though, is that the government campaigned on doing things differently. It campaigned on being transparent and making sure that it protected the families in Alberta. It campaigned on being a completely different group of people. People bought into that change, and here we are discussing a bill that, within three years, has completely changed the way that we do things in this province, faster and at a worse pace than any other government before.

The government can stand there and say that they're coming in and trying to change things and fix things that other governments have, but they wear this one. This will be part of their legacy going forward. We're trying to help with the legislation, to make it better than it is, but this will be something that this government wears. You know, everybody has that. We're all going to have our history in here, for sure, but this one in particular, which actually hurts families, hurts families as much as not building a pipeline hurts Canadians. It hurts families the same way not that protecting the federation and our own prosperity in Canada hurts Canadians and Alberta families.

The worst part about it is that the government could have fixed it. There were so many opportunities along the way to just slow things down a little bit. You know, when we were talking about Bill 34 in 2017, we did referral amendments on those specifically to be able to go to committee and discuss, especially with the stakeholders, what that was going to look like.

I remember the Member for Edmonton-Whitemud talking about how it wasn't a big deal that Enmax was – he said that Enmax was hiding costs from Albertans and that suing Enmax was what that was about and that that's what helped to get two pipelines built at that time. I don't know if you remember that, but the answer for everything was "two pipelines." It's interesting because Bill 34 was this unchecked loan, this ability to have a blank cheque that goes to the Balancing Pool to keep it functioning, when it didn't need any help before on that because the Balancing Pool was able to cover its losses with the rate riders, and it didn't compromise the fiscal responsibility of governance.

11:20

You know, removing checks and balances that are put in place to protect families, to protect Albertans is irrational. We're at a point right now in this bill where the Member for Calgary-Foothills is bringing forward really rational and thoughtful legislation to help make this bill better, and the government keeps voting it down. This will be your legacy, your legacy that actually hurts Alberta families, that costs them money that they don't have right now, that may cost them the difference between heating and eating, that could have been avoided.

Like, I mean, I've said so many times that there were things that absolutely needed to be fixed in the electricity market, lots of things, but this wasn't one of them, certainly not the retail piece of it. To shift that cost to the taxpayers wipes Albertans out. You wipe your hands of it. It's exhausting for the average Albertan to try and understand what is behind this other than an ideological push to bring things online that the government thinks Albertans need, but it's willing to sacrifice the dollars that come to them in order to prove their ideology.

It's interesting because objecting to a bill is one thing. I mean, sometimes I look at this bill and I think: we should just object to it outright. But there are things that we can do to improve it since this is what's going to happen. The government has the majority. They can pass these bills. They don't need our permission to do that.

But when you actively seek to take language out not only that is legal language but is language that gives Albertans hope and gives them that ability to feel their morale lift because the government is making legislation that will help them, especially at a time of need, that is a significantly different thing than a government that chooses to profess that a carbon tax and the ideology that comes along with the climate action plan are actually helping them, especially when it's costing them so much more and not just in one part of it. There's the carbon tax. There is now the pipeline, especially if the indemnity is brought forward, that \$2 billion, and then also, on top of that, the fact that the policies that have led us to these positions could have been dealt with so much earlier on.

You know, the government keeps saying that the hon. Member for Calgary-Lougheed could have built a pipeline nine years ago. If you think about it, this government has been in power for three years and within that three years has managed to destroy our electricity market and, on top of that, has created policies that have hurt the industry that they say that they profess to protect by building a pipeline. Isn't that interesting? If you look at a couple of different things, you have – I mean, a pipeline, for me anyway, is a part of our federation. It's something that unifies us across the provinces and across Canada, something that we all do together to make sure that Canadians are able to prosper from these amazing resources that are literally under our feet. It's pretty spectacular if you think about it, and I can't imagine anybody who would be against that idea.

But if you look at what that means for the morale of the people of this province, what it means when people do what they say and mean what they say and follow through with not only – I mean, it's one thing to say that you're getting pipelines built and all of that, but there's a whole other piece of it when actually your actions don't align with that process. The reason why I'm comparing it to this is that if you consider the fact that, you know, we're going to be paying for this pipeline through tax dollars federally and provincially but we haven't done anything, Madam Chair, to make sure that there are solutions to actually get to tidewater, which is what stopped Trans Mountain from being able to do that in the first place – Trans Mountain was ready to invest. They're ready to do the work. The terrain to build the Trans Mountain pipeline is not easy terrain. It's a really, really tricky and difficult place to be. There's 11 per cent disturbance. Most of it is built along the same pipeline.

However, the interesting thing is – I mean, the pipeline is one piece of it, but we're not fighting to make sure that we actually have somewhere now to take what is in that pipeline somewhere because of the bills that are coming from the federal government. This government keeps saying, "Well, you know, the hon. member the Leader of the Opposition would rather be in Ontario still and doesn't care about Albertans" and other language that they've used, really, really, actually very terrible rhetoric.

What's interesting about that is that in order to understand pipelines, you have to understand the federation. You have to understand what goes on in Canada. You have to be willing and reasonable to be able to talk about those kinds of things. You can't just talk insularly about Alberta when it comes to pipelines because it doesn't just traverse our province. It's about going across many provinces. It's about engaging with all of those provinces to make them understand their responsibility in the federation, to make sure that they understand how that works in order for Canadians to receive what comes from having that prosperity in a pipeline. It's so much bigger than just a piece of infrastructure. It's actually about who we are. It's part of an identity of being a responsible developer of resources, of being people who do it better than anywhere else in the world.

It's funny. People always ask me: well, what would you do differently? You know what I would do differently? I'd make sure that we produce more. You know why? Nobody else should be producing other than us. You want to talk about green technology? You want to talk about who does better on carbon leakage? Nobody should be producing except for Canada if we were to follow those rules. You know, when you talk about the Paris talks and COP 21 and all of this kind of stuff, we have ministers in this House that go and allow people in those countries to call us dirty oil and tar sands, yet we're then supposed to expect them to come in and invest. That's funny. It's actually not funny; it's disturbing.

Then on top of that, you have the fact that we've been fighting about this pipeline for so long. How is it that pipelines became politicized? How is it that our national infrastructure, that brings us together as a country, that provides prosperity for us, that uplifts every single Canadian, provides thousands of job directly and indirectly, everything from working on the pipeline to the hair stylist that's in that area where that construction is going on – how did that piece of Canada become politicized to a point where it's not even about the pipeline anymore? It's about the ideology around that and about aligning with activists and pandering to that as opposed to the rest of Canadians, that are suffering as a result of waiting.

You keep criticizing other governments for not getting to tidewater when in reality all of the pieces that led up to being able to get this pipeline built were done by previous governments in order to get to this point in the first place. Capacity comes online as capacity is needed. You don't build capacity until it's necessary. Now it's necessary.

We have the ability to be able to be globally competitive at a larger level. As the Leader of the Opposition has said on many, many levels, we have pipelines that have been cancelled in all directions, and now we're looking at an electricity bill that is, to our province, about our prosperity, about taking care of our families, about making sure that we are the ones that make sure that that transparency is there. This is what this government ran on. They ran on that language – I mean, all of us do, right? – transparency, accountability, taking care of Alberta families, making sure that that's first and foremost in their minds. How can they say that and then hit Albertans with an unknown amount of dollars for something that is unknown? We don't know how it's going to work, how it's going to come online, how we're going to maintain it.

You know, it's interesting. If you look at Ontario again – I'm sorry to bring this up again – they are in such a crisis when it comes to brownouts and all of these kinds of things. Do you want to know why? It's because they are unable to keep their electricity functioning, first of all, because of dollars but, second of all, because it's unstable.

11:30

There is a family. Sherry-Selena Hucul, a single mother of four, has been dependent on a food bank and works part-time. She both hears from food bank clients and deals with her own struggles with hydro bills. She's the one that says: hydro is a dirty word now; even if you get paid off within a very short amount of time, you end up owing more because the rates go up. Did you know that her monthly bill, a single mom with four kids, is \$309 even though she doesn't heat with hydro? She doesn't have a dishwasher, dries her clothes by wood stove, and doesn't leave the lights on. Eight years ago her bill was \$80.

Mr. Kenney: This is Ontario?

Mrs. Aheer: This is Ontario.

Mr. Kenney: Wow. Wow.

Mrs. Aheer: On top of that, now they've had to start these support programs in Ontario to be able to pay for folks that can't afford it.

Mr. Kenney: Energy poverty.

Mrs. Aheer: Complete energy poverty. And think about this from a long-term perspective, too, if we're comparing it to pipelines. Pipelines not only help Canadian prosperity, but think about the energy that gets to go to countries that are also in an energy poverty state and what we're able to do with them with our remarkable resources that we're able to get to the pipeline, places like India and China, who are desperate for our natural gas. Can you imagine what that would do for their burgeoning middle class, to be able to get access to our resources? It's pretty incredible.

I think that there are a lot of things where the government hasn't seen what the ripple effects will be of this level of legislation. Moreover, when the hon. Member for Calgary-Foothills is very thoughtfully bringing forward legislation to try and help and to save this government from some really, really bad legislation, it's quite frustrating when none of that is being taken into consideration. I mean, really, if you don't want to pass this legislation, take his advice and make your own. Bring it in. We'll debate it, and we'll pass it. Even that, that's okay.

You know, if you don't want to give credit to the hon. Member for Calgary-Foothills, he doesn't care about that. He cares about Albertans. He doesn't care about who. There's no shortage of good ideas. It doesn't matter which side of the House they come from, but perhaps the government will listen to an excellent, excellent group of amendments. Of course, they've already voted down a bunch of very good ones. At the very least, take into consideration that if you're not willing to pass something that we're bringing forward, that's fine. Make your own, bring it to the House, and we'll work on that.

Government keeps talking about bringing in investment. Well, how are you going to do that if you can't guarantee that that investment has a safe place to land? I mean, the government was always saying that the carbon tax and the social licence wasn't worth the paper it was written on. Do you remember when the government was saying that they wanted to make sure that that legislation was worth the paper that it was written on? That's because the expectation was that when they did what they said that they were going to do with their friends in Ontario, with Justin Trudeau in Ottawa, this would somehow buy us social licence – right? – with the pipeline. But we know that it wasn't worth the paper it was written on. Now investors in Alberta are going to know, because they're not willing to pass legislation to protect that, that their contracts are not worth the paper that they're written on.

I would completely suggest, out of tremendous humility for this process, as I realize that my language in here is used simply to debate, I have no power to pass legislation. The government has the power to do that. You're the majority. You carry the burden of passing this legislation, and you carry the burden of those decisions and the legacy that that leaves behind, which will truly be your legacy, but Albertans pay the consequences.

I would ask that at the very least you consider what it is that we're saying here. Consider this excellent amendment coming forward from the Member for Calgary-Foothills, and consider the ripple effects that your legislation is having on the very people that put you here in the first place.

Thank you.

The Chair: Any other members wishing to speak to the amendment?

Seeing none, I'll call the question.

Hon. Members: Question.

[The voice vote indicated that the motion on amendment A5 lost]

[Several members rose calling for a division. The division bell was rung at 11:35 p.m.]

[One minute having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Aheer	Fraser	Loewen
Anderson, W.	Gill	Nixon
Cooper	Hunter	Panda
Drysdale	Kenney	

Against the motion:

Bilous	Hinkley	McKitrick
Carson	Hoffman	McLean
Connolly	Horne	Phillips
Coolahan	Jansen	Piquette
Dach	Kazim	Rosendahl
Dang	Kleinstauber	Sabir
Feehan	Larivee	Shepherd
Fitzpatrick	Littlewood	Sucha
Goehring	Loyola	Woollard
Gray	McCuaig-Boyd	

Totals:	For – 11	Against – 29
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[Motion on amendment A5 lost]

The Chair: Are there any further questions, comments, or amendments with respect to Bill 13? Calgary-Foothills.

Mr. Panda: Thank you, Madam Chair. We are back to Bill 13, An Act to Secure Alberta's Electricity Future. I understand that the minister is just trying to do the right thing here, and the point is that the NDP broke the electricity system by fooling around with the early phase-out of coal. Madam Speaker, I'm just going to summarize, I mean, how we got here, and then I leave it to the members of this House to decide how they want to vote on this bill.

11:40

Now, the NDP have used a number of Whac-A-Mole policies in order to try to put humpy dumpty back together again. This is the last one, and the final Band-Aid, but the electricity system will never be the same.

Let's review some of this NDP's actions here, Madam Chair. The first one is the power purchase agreements. When the NDP raised the carbon tax on the coal-fired power plants, it made the power purchase agreements more unprofitable. It cost the taxpayers at least \$2 billion to buy back the PPAs, and the full cost is still not known. There are many, many costs that are not known. You'll hear that from me a few times tonight. The costs are not known. The coal phase-out agreement is another one. This cost taxpayers \$1.1 billion in 2016 and then \$31.9 million in 2017 and \$29.9 million in 2018, and it will continue to cost taxpayers tens of millions of dollars until 2029.

The next one is the capacity market, Madam Chair. Because the sun does not always shine and the wind does not always blow, electrical generation on standby needs to be built. The NDP is changing the energy-only electricity market to a capacity market with Bill 13 in order to stimulate investment. This means that electricity prices will rise, but we'll have less volatility. The cost to taxpayers and the ratepayers is unknown, but we know the power bills are going to go up.

The next one, Madam Chair, is renewables and wind and solar. The renewable electricity program action 1, which is REP 1, came in with three wind projects that average 3.7 cents per kilowatt hour for 600 megawatts.

[Mr. Sucha in the chair]

When the electricity price drops below that average, the NDP government's carbon tax subsidizes the wind projects, and when the price is about 3.7 cents per kilowatt hour, the wind projects pay back the NDP government.

By comparison, the Independent Power Producers Society of Alberta indicates that the 2016 wholesale price of electricity averaged at 1.7 cents per kilowatt hour. REP 1 is not participating in the capacity market, which leads to the questions about existing merchant wind power. REP 2 and 3 are now being bid for additional renewable electricity. REP 2 is for 300 megawatts with the minimum 25 per cent indigenous equity ownership. REP 3 is for 400 megawatts. The total cost to the taxpayers, again, is unknown.

Next is solar, Mr. Chair. The government of Alberta is planning to go to tender in June 2018 to procure over half of its energy needs from solar power electricity. According to the Canadian Solar Industries Association, solar comes in at 6 cents per kilowatt hour. By comparison, the Independent Power Producers Society of Alberta indicates that the 2016 wholesale price of electricity averaged 1.7 cents per kilowatt hour. One more time: the total cost to taxpayers is unknown.

Subsidized electricity prices is the next one now, Mr. Chair. The consumers on the regulated rate option for electricity have their bills subsidized when electricity prices climb above 6.8 cents per kilowatt hour. The NDP government has budgeted \$74.3 million in the 2018 and '19 budget for the subsidies. But in April 2018 that decision cost the NDP government \$9 million, and the government has no idea how much this will cost taxpayers. Again, the total costs are unknown. We know that the total costs to the Alberta taxpayers for all of these changes to the electricity system are going to be north of \$3.2 billion at a minimum, but we don't have an exact number, again.

Myself and my colleague from the outstanding riding of Olds-Didsbury-Three Hills have written to the Auditor General asking to have all of this audited because in this House we tried by all means, you know, using the committees, using this House, Public Accounts Committee. At every opportunity, through all of the avenues that are available for us, we have tried to get that exact number, how much it costs Albertans, because those are the questions we face at the doors in my riding and in every riding we represent. Because we didn't get any answers, as another, you know, tool at our disposal we approached the Auditor General and asked him to audit this whole file.

We in the official opposition did our job to try and make Bill 13 better, but again the NDP rejected our advice. Let's review the mistakes the NDP made in Bill 13. An electricity generator should not be receiving a capacity payment and then deny the provision of electricity, thus spiking electricity prices when the system operator demands electricity. In other words, if on a capacity contract a generator must offer electricity, every minute of every day the Electric System Operator asks generators to bid to supply electricity and the generators comply, and the lowest price electricity is bought. Now, if the generator is allowed to receive a capacity payment without being forced to bid the electricity, then the electricity price will rise. Soon it will spike because not enough load is being offered to the grid. This is how TransAlta . . . [interjections]

Mr. Chair, this is not a laughing matter. We are almost at midnight here, and we are talking about serious issues that are going

to cost Albertans, that are going to impact the livelihoods of many Albertans. Because this government chose to phase out coal-fired electric generation, thousands of people lost their jobs, and these NDP members are laughing. This is not a laughing matter.

Connolly: Yeah, Jessica.

Mr. Panda: Then my neighbour there from Calgary-Hawkwood is heckling me.

Back to this discussion on Bill 13, Mr. Chair. If the generator is allowed to receive a capacity payment without being forced to bid the electricity, the electricity price will rise, and soon it will spike because not enough load is being offered to the grid. This is how TransAlta, one of the main companies, got caught and got fined \$56 million by the Alberta Utilities Commission for market manipulation. TransAlta was denying the provision of electricity in order to drive prices up. It is fundamentally wrong to receive a capacity payment and then deny the market electricity. Denying electricity to the market drives up electricity prices. We want to keep the prices as low as possible for average Albertans.

To put it on record, Mr. Chair, I want to compliment TransAlta, actually. They came and gave me input to bring some of the amendments I brought from their own experience. They didn't want to make the same mistake again, they didn't want other bidders to make the same mistake, and this NDP government shamelessly rejected all of those amendments. TransAlta learned their lesson. That's why they didn't want future bidders to make that mistake. They don't want others to, you know, end up paying penalties. That's why they gave input to me to improve this legislation, so that's why I brought the amendments.

11:50

You know what happened? When the Alberta Electric System Operator asks for electricity, if you are on a capacity contract, you must offer the electricity for sale, and if you do not offer electricity for sale, you do not receive your capacity payment. That was the amendment, and the NDP rejected that. The NDP wanted to pay for capacity whether electricity is offered or not. That is wrong, simply wrong, and it will drive the prices up.

[Ms Jabbour in the chair]

Next we wanted to make sure that the NDP had a minimum of 60 days to consult on the draft regulations. Such a timeline would put the draft regulation out now so the NDP can have the final regulations done for August. Setting up the capacity market is a serious and complex undertaking, and the minister only has one shot to get this right. The timelines for implementation are short and tight, and all the experts have said: take more time and get it right. We need all the stakeholders onboard, providing all of us the best advice so that this can be done correctly the first time. A minimum 60-day time period is a fair and reasonable time frame to make sure the regulations are correct. In the long run it would be better, much better. But by voting the amendment down, the NDP have signalled that the draft regulations are not ready. Power companies are going to have a mad scramble this summer in August, when the final regulations are released.

The next amendment was FEOC. Fair, efficient, and open competition was not applied evenly to the capacity market in the legislation. The Member for Edmonton-South West, with his vast computer programming skills, could not see the syntax error in the computer record of this legislation, and there were a couple of places in the bill where fair, efficient, and open competition has not been accorded to the capacity market or the standard FEOC language was not used.

The amendment cleans up the bill and ensures consistency. It would have provided certainty to electricity stakeholders, who do not want legal maneuvering to allow the Alberta Electric System Operator to skip out on commitments. Instead, the NDP shows sloppy drafting and wiggle room. This does not bode well to instill confidence in the suppliers.

So we come to the fourth suggestion of the Official Opposition. Generators who win a capacity contract under the provisional rules do not want the provisional rules changing on them. How can you award a contract and then change the terms and conditions, FEOC or not? If the terms and conditions of the provisional market rules change after the capacity contract is signed, the old rules must apply to the capacity contract until the contract runs out. This means the first capacity contracts will have to be short in order to align with the finalized rules, which will come at around the end of 2021. The minister, the system operator, the Alberta Utilities Commission can't go changing the rules midstream and expect people to bid and invest in capacity.

Madam Speaker, the NDP rejected these suggestions for improvement. I fear we have a flawed piece of legislation that will give rise to a broken capacity market. Albertans suffer because of this. Electricity prices will rise higher than they need to rise, and as such the minister touts an electricity price subsidy to consumers. At the end of the day those consumers will pay for it with higher taxes because the ratepayers and taxpayers are one and the same, Madam Chair.

Now, we talked about the consequences to Albertans. The electricity prices are going to go up, and the investor confidence won't be stable because they want some certainty. That means that we're going to go on the same path that Ontario went, and you know what's going on in Ontario. We'll see on Thursday what happens because the Premier of Ontario already conceded the election.

You know, earlier we were thinking that only the day of the election matters, but now it seems that every day matters. That means that this NDP government in Alberta is on the same path, and they're likely to concede their defeat in the next election already. That's how I take it because if they're serious about listening to Albertans and making their legislation better and making electricity prices affordable and reliable, then they would have taken a serious view of these amendments and all the discussions in this House and at least made their bill better. Since they chose not to, I am assuming that they're ready to switch their seats back to this side of the aisle. I look forward to that, Madam Chair.

Thank you.

The Chair: Any other members wishing to speak? The hon. Leader of the Official Opposition.

Mr. Kenney: Thank you, Madam Chair. I'd like to thank all members engaged in debate at this late hour, in particular the hon. Member for Calgary-Foothills, the Official Opposition Energy critic, for his tremendous research and detailed work on this critically important issue.

Madam Chair, this bill and the policy area of power production which it addresses is essential to Alberta's economic standing and its future. I'd like to pull the camera back a bit to discuss that strategic importance because it's easy on such a complex issue as power policy sometimes to get lost in the details and the myopia of it. I think we need to understand that when we talk about prosperity and job creation, so much of this is dependent on our ability to attract and retain investment capital, that increases productivity and wealth in Alberta. That doesn't happen by politicians giving speeches or good intentions or, you know, by accident. It only

happens through having the right overall macroeconomic policy setting, which, I would submit, this province did have for many decades. It's not perfect, but the record speaks for itself.

We had, generally speaking, the highest rates of growth in the country, the highest labour force participation rate, the highest level of employment, the lowest unemployment in the country, and, most happily, the highest labour force participation rate amongst underrepresented groups in the labour force such as younger people, aboriginal Albertans, immigrants, persons with disabilities, and other groups that are facing very high levels of unemployment in other parts of the country. They did quite well over recent decades here in Alberta, a province that also had the highest levels of disposable income, the highest incomes by far, which according to some recent economic research was really the bulwark of the middle class in Canada, particularly for many people with more modest levels of education or skills who were able to find gainful and secure employment in this province. That's a record about which we should be broadly happy, Madam Chair.

It collectively is something that we used to call the Alberta advantage. That advantage was made up of a number of key policies, one of which was a stable fiscal environment. Since 1995 until recent years having had a balanced budget and since 2004 having had zero net public debt, it's thanks partly to that, allowing us to have the lowest tax rates in Canada and at times amongst the lowest tax rates in North America, which incentivized the kind of activity which creates wealth: working, saving, and investment.

12:00

But the Alberta advantage was also, Madam Chair, in part attributable to Alberta having low and affordable power prices because power is, obviously, something that everybody depends on in their normal lives in this modern world and therefore constitutes an important part of the average household budget, so from a consumer point of view it's important. But it's hugely important as well for heavy industry. Very often power costs are the number one or two input cost for major industrial employers. I think, for example, of the pulp mill in Whitecourt. Whitecourt paper is what it's called. They are, I think, the largest industrial consumer of electricity in the province of Alberta. It's an enormous amount of power that they buy. There you have several hundred people in and around the community of Whitecourt whose livelihoods depend on the competitiveness of that plant in what is a very competitive industry around the world. When power prices go up appreciably, that jeopardizes the ability of a company like Whitecourt paper to produce, to compete, and to protect those jobs.

This applies, of course – we often talk about the importance of diversification, Madam Chair. I think that's one thing that all parties in this Chamber have in common as a goal, which is continued diversification of the Alberta economy. Practically what does that mean? Well, it means expanding outside of oil and gas. Happily, we have seen that happen. In fact, oil and gas has declined by about a third as a relative share of the Alberta economy in the last 30 years even while it has grown in absolute terms quite significantly. This effectively means that other sectors have grown more quickly, other sectors like services and construction but also manufacturing. Manufacturing has as typically one of its top two or three input costs power, so this is not just some sort of marginal technical issue that maybe some people find boring. It's essential for our economic future. It's essential for us to restore an Alberta advantage to have affordable power prices.

Madam Chair, let's face it. When we talk about the Alberta advantage, there are also certain Alberta disadvantages, one of which is our relative remoteness from major markets. Here we are as a landlocked province, far from any other major population

centres. We're not on the eastern seaboard. We're not on the Pacific coast. We have a high cost of production generally as a big, cold, northern climate. You can't do construction in most places year-round. Labour costs are higher. Now, under this government regulatory and tax costs are higher, so we need certain competitive advantages if we are to attract manufacturers in other industries here to help us to further diversify Alberta's economy. For that, we must have affordable power prices.

We must avoid the disastrous model of the Ontario Liberal government, which, as my colleagues have pointed out, is on the brink of an electoral disaster, according to their own leader, Premier Wynne, because they pursued, Madam Chair, not a practical power policy based on the interests of consumers or of industry and employers but, rather, an ideological approach to power policy, which rushed to shut down coal generation as part of the power grid in Ontario. They refused to invest in renewal of their nuclear power generation capability. They went headstrong into long-term contracts for – some people call them renewable; I call them intermittent and unreliable – forms of power production such as wind and solar, in fact, assigning, in some cases, contracts that were for production as high as 40 cents a kilowatt hour.

Now, Madam Chair, the effect of this has been a hollowing out of Ontario's industrial capabilities as those power prices have gone up. They have this bizarre situation – I offer this as a cautionary tale relevant to this bill – where in order to privilege intermittent forms of power production, they require that consumers buy expensive so-called renewable power sources first and very inexpensive hydro electricity power last. Effectively what this means is that Ontario factories trying to operate all night, you know, 24/7, are paying up to 40 cents a kilowatt hour, but there's excess capacity on the grid being generated by Ontario's enormous hydroelectricity capacity, excess power which is dumped on U.S. markets at less than 5 cents a kilowatt hour. Ontario is literally subsidizing their industrial competitors south of the border, so is it any wonder that jobs and business have gone south, too? I mean, you can move your business south of the border and get lower taxes, lower labour costs, less regulatory burden, and now substantially lower power prices.

I offer this cautionary tale to say that we must not replicate any dimension of this failed policy, which the Member for Chestermere...

An Hon. Member: Rocky View.

Mr. Kenney: ... Rocky View – I'm still learning the names of the constituencies, Madam Chair – has so eloquently articulated as energy poverty.

Some members may recall – I think it was in the spring, about March 2017 – when the Rt. Hon. the Prime Minister was doing a town hall meeting in Peterborough, Ontario. A lady came up to the microphone and broke down in tears in an emotionally wrought statement. You could tell that she wasn't somebody used to speaking in public or in front of TV cameras, but she suddenly found the courage to stand up to the Prime Minister of Canada in front of national television to tell her story about how she was having to choose between buying groceries and heating her home. She was talking about how she was, you know, cutting her food budget because her power budget had become higher than her mortgage payments.

That's the real world. I find this perverse, that this is imposed by parties that pretend that they have a monopoly on compassion. Compassion: where's the compassion for that woman and the hundreds of thousands of other Ontarians of modest incomes who have been the victims of the kinds of policies that are implicit in this bill? That is my concern fundamentally, Madam Chair. It

undermines our economic competitiveness, one of the key planks of the Alberta advantage, which was affordable power prices, but it also drives us towards greater energy poverty for people who are at the margins, people who can't afford to pay an extra \$20 or \$50 a month on their power bills. They already are paying more to heat their homes with the carbon tax, that the NDP increased by 50 per cent on January 1 and plans to increase by a further 67 per cent in order to please their close ally Justin Trudeau, so people are already being forced into increasingly a form of energy poverty in many cases to heat their homes. Now this will be the case increasingly on their electricity bills as a result of the higher costs implicit in this bill.

More than that, Madam Chair, is my concern about investor confidence. I was just down in Toronto a couple of weeks ago. I spent a day meeting with national business leaders on Bay Street in the financial, real estate, and other industries, and they all told me – I heard the same thing over and over again – that as far as they're concerned, Alberta is not a place in which to invest right now. To quote one very senior Canadian business leader who is responsible for a portfolio that invests \$45 billion globally, this gentleman, who loves Alberta, told me that there is a red X on Alberta in terms of investment right now.

12:10

Now, I understand that if you come from a social democratic party, maybe that sounds like: oh, that's just the evil fat-cat capitalists. Maybe it's easy to objectify, dismiss, ignore those kinds of comments that we're hearing. For example, on April 1, 2018, the chief executive officer of the Royal Bank of Canada, Dave McKay, told the Canadian Press that a significant investment exodus to the United States is already under way, especially in the energy and clean technology sectors. Especially in the energy and clean technology sectors: isn't that ironic? All of these subsidies, all of this talk, all of this rigging the system to privilege clean technology, and guess where it's going? To a friendlier investment environment according to the CEO of the largest financial institution in Canada. Madam Chair, this is not an opposition MLA speaking. This is a guy responsible for hundreds of billions of dollars of assets here. It reminds me as well to further quote Mr. McKay, quote, in real time we are seeing capital flow out of the country, but if we don't keep the capital here, we can't keep the people here, and these changes are important to bring human capital and financial capital together in one place, end quote.

I would go on to this question of investor confidence with direct relevance to this bill. To quote Nancy Southern, the chair and CEO of ATCO, a great Alberta company built from scratch in this province, started in the 1950s. She recently described as, quote, heartbreaking, the policies of this government and the federal government in driving away capital and investment. She said, quote, how heartbreaking it is to see our wonderful resource-laden province so constrained by regulatory policy and politics.

I would further quote Siegfried Kiefer, president and chief strategy officer of ATCO. He described how governments in Canada, quote, are busy bringing in multiple and compounding policies and regulations that are layering considerable costs on businesses and individuals alike, undermining the confidence of investors, eroding the attractiveness of our industries, and weakening the confidence of the public. It goes without saying that in our increasingly globalized economy, capital flows will continue to seek certainty. Close quote.

Does this bill offer that certainty, Madam Chair? The answer is manifestly not. What the bill does is create even greater uncertainty for power producers that have already been shaken by this government. I will in a moment enumerate the reasons why.

First, Madam Chair, I'd like to enter into *Hansard* a quote, a citation at length from a speech recently delivered by James Pasioka, a partner at McCarthy Tétrault, a major national law firm in Calgary. Mr. Pasioka is one of Alberta's leading experts on the energy industry and power production and has been highly recognized and, in fact, has taught courses at the University of Calgary. I just read this speech that he recently delivered to the C.D. Howe Institute. I think all members would benefit to hear this, I think, prescient summary of the NDP government's approach to power as summarized in Bill 13.

Mr. Pasioka said, quote, let me give you one very significant example in Alberta of deleterious government actions of the Alberta NDP, that Nancy Southern is talking about, and that is as relates to the backbone of Alberta's infrastructure, the province's electricity generation sector. The Alberta NDP, shortly after it took office in 2015, lurched into a series of ad hoc political moves to ultimately remap the entire electricity generation sector in Alberta with the NDP's determination to eliminate all coal-fired electricity generation in Alberta from and after 2030. By the way, none of this was in the NDP's election platform. To demonstrate the very significant impact of this, it is important to remember that Alberta gets 60 to 65 per cent of its baseline power generation from coal. Point one, it all started after the province boosted its carbon tax on heavy industrial emitters such as coal-fired generating plants.

The Alberta government tripped on an opt-out clause contained in existing power contracts. This allowed holders of the unprofitable electricity deals known as power purchase agreements, PPAs, to return them to the government agency called the Balancing Pool. That government agency backstops all PPAs and was soon holding the bag on losses of up to \$70 million a month as electricity prices fell to decade lows. The NDP government lent the Balancing Pool hundreds of millions of dollars, money that must be repaid by consumers later through a surcharge on their monthly power bills, with this loan being made so that the government's actions would not be noticed, or at least not felt, by taxpayers or consumers in the short term.

This situation, however, was hugely exacerbated by the Alberta NDP government seeking to cover up its mistake in tripping on the opt-out clause. Here is what happened. Bizarrely, in what the *Financial Post* called a Monty Python like script, the Alberta NDP sued one of its own government departments, effectively the Alberta government, dating back to the year 2000, claiming foul on the so-called Enron clause, that the opt-out clause had somehow been slipped into the PPAs by Enron at the last minute, an utterly nonsensical lawsuit. But by holding on to this frivolous lawsuit for two years, the Balancing Pool and, ultimately, the taxpayers of Alberta had to cover the losses on the PPAs while the PPAs were extant for those two years. Losses under the PPAs would of course terminate when the PPAs were terminated.

The last of the lawsuits dealing with the termination of the PPAs was settled in March of this year with Enmax, but the significant costs on the return of the PPAs had been manifestly made worse because the NDP government hung onto the PPAs for those years instead of permitting the process under the PPAs to take its natural course.

So what's the cost here? Well, it's still to be tabulated. [Mr. Kenney's speaking time expired]

I'd be happy to continue in just a moment, Madam Chair.

The Chair: Any other members wishing to speak to the bill? Go ahead, hon. member.

Mr. Cooper: Well, thank you, Madam Chair. I look forward to continuing to hear the remarks of the hon. Leader of the Opposition.

Mr. Kenney: I thank the Member for Olds-Didsbury-Three Hills. So what's the cost here? Well, it's still to be tabulated. After PPA holders gave the underwater agreements back to the Balancing Pool two years ago, the Balancing Pool quickly burned through more than \$700 million from its investment portfolio to cover the losses in the PPAs due to the government's actions. After burning through its \$700 million portfolio, the Balancing Pool has borrowed a further \$566 million from the province as at year-end 2017, kicking the can down the road so that electricity consumers don't see the real cost at present of this disaster. Do you see a pattern here?

In addition, in 2018 all Alberta electricity consumers will pay a surcharge, instigated by the Balancing Pool in order to help pay for these losses, of a further \$190 million. More Balancing Pool charges like this in the years to come are reasonably foreseeable on this matter.

Two, when coal-fired baseload generation is shuttered before scheduled by government policies, electricity prices will go up. To help mask this, the NDP government is borrowing from the playbook of the disastrous Ontario experience and has instituted a residential price cap, a subsidy paid for by all taxpayers, at an estimated cost of \$74 million for this fiscal year, to cover the cost of limiting electricity rates for residential consumers to 6.8 cents per kilowatt hour. The price ceiling remains in place till May 2021, meaning that the price tag could still grow.

Three, what happens when a very significant change in government policy and framework is made after the private sector has made its investment decisions and spent capital relying on the existing ground rules? And this is the point I was making about investor confidence, Madam Chair. Will you have stranded assets?

12:20

In our system compensation would ordinarily be due to the parties that spent the capital. Twelve of Alberta's 18 baseload coal plants were scheduled to close down one way or another by 2030. The other six plants are merchant plants designed and built to be in operation as late as 2061. Thus, the NDP government under its climate leadership plan had to compensate the existing plant owners, who were to operate their six plants well past 2030, with taxpayers' money for the owners' stranded capital costs. The province will pay three of the four affected parties – TransAlta Corp., ATCO Ltd., and Capital Power Corp. – a total of \$97 million annually, or \$100 million to round up, over 14 years beginning last year, in 2017, for a total cost of, get this, \$1.36 billion. Whoops. That's a lot of hospitals. In fact, I think that is more than the entire budget of the Calgary South Health Campus.

Settlement with the last of these four affected plant owners, Enmax, took place just in March of this year, and the cost of that compensation settlement with Enmax will push the overall total significantly upwards from that initial \$1.36 billion. So that's a minimum, not a maximum. Imagine how many hospitals you could build in Peace River, Madam Chair, or in La Crête or in any part of northwestern Alberta for a billion and a half dollars.

The craziness of it all is that the six coal-fired electricity generation plants in Alberta to be closed by 2030 were among the most advanced coal-fired facilities in the world, utilizing supercritical boiler technology, which operates at higher steam temperatures and pressures to drive a high-efficiency steam turbine. CO₂ emissions per megawatt are lower than those from conventional coal-fired power plants in the rest of the world by 18 to 20 per cent. This is important stuff. Canada generates approximately 1.6 to 1.8 per cent of the world's greenhouse gas emissions, so those six modern coal-fired plants were an infinitesimal contributor to Canada's world-wide total. But over the next 10 years some 1,600 new coal-fired plants are being built

world-wide, 700 of those in China alone. That is a rate of two to three a week.

I would add, parenthetically, Madam Chair, that even in the putatively greenest economies on Earth, in Germany and Japan, guess what they're building more capacity for? Coal. Thus, we're closing down Alberta's six cleanest coal-powered plants early at a tremendous cost to Alberta taxpayers. Somewhere in the world three weeks from now there will be another six plants to replace those and growing at that rate every three weeks for the next 10 years. This doesn't make any sense.

Four, the Alberta NDP government, in its complete remake of Alberta's electricity generation sector under its climate leadership plan, has to incentivize or rebuild all the province's baseload power generation, replacing coal with other alternatives. Allow me to pause to explain baseload power, Madam Chair. When you bring increased capacity onto the grid from intermittent sources like wind and solar, you need to match every kilowatt hour of that capacity with baseload. That means that, effectively, in terms of the capital expenditure you have to pay twice for the same power.

Mrs. Aheer: Double billing.

Mr. Kenney: Yeah.

As usual under the climate leadership plan, there is a cost with these alternatives. The AESO, the government agency that oversees the province's power grid, estimates that it will cost \$25 billion to replace coal plants, meet the government's targets for nonrenewable power generation, and meet future customer demand. A U.S.-based electricity expert hired by the Alberta government as a consultant on the coal file pegs the cost at between \$20 billion to \$30 billion. That's billion with a "b," Madam Chair. All of this massive remapping occurs amid concerns that the province has caused much more uncertainty about the future of the power market at a time it's trying to attract investment.

A Calgary city councillor said recently – I think this is Diane Colley-Urquhart – quote: the implementation of this program has sparked legitimate concerns regarding the stability and sustainability of Alberta's current power market design, infrastructure, and transmission. Unquote.

Now, enough said about what not to do if you want to attract private-sector capital for infrastructure or project spending. I want to contrast what I have said about the Alberta NDP government and the electricity generation sector in Alberta and pivot 180 degrees, and this is very interesting. This one is really a good-news story – and don't we need some good news? – from a local Alberta government jurisdiction, the city of Medicine Hat. Unfortunately, the Member for Cypress-Medicine Hat is in his constituency tonight, but we'll make sure that he . . .

The Chair: Hon. leader, we do not refer to the presence or absence of members, please. Thank you.

Mr. Kenney: Oh. That's right. I shouldn't have. Quite right, Madam Chair. Duly reprov'd. I did that inadvertently, and I apologize to the member.

Here's a great story about Medicine Hat. It's a great story on how governments can and should work to encourage, foster, and partner with private capital to create project and infrastructure spending and thereby create sustainable jobs and bolster the economy for many years in the future.

The city of Medicine Hat has some unique competitive advantages. Number one, it's the sunniest city in Canada, with over 2,500 hours of sunshine per year. That must explain why the Member for Cypress-Medicine Hat has such a sunny disposition. It ranks in the top 50 municipalities in Canada in terms of the ability

to generate solar energy. It has abundant gas reserves in a large, shallow gas reservoir located directly below the city. It reminds me of the heavy oil reservoir under the city of Los Angeles. Using this as a base, the city developed and fostered a natural gas and petroleum resources department. Smart. The city's oil and gas assets were developed through existing ownership of gas properties and by several acquisitions of various private companies' oil and gas interests.

The city partially used its oil and gas revenues to eliminate homelessness in 2014. Bravo. I think they followed the housing first approach, the first and only city in Canada to do so. But then the downturn in commodity prices came. The city was hit hard by a drop in oil and gas prices, losing a thousand jobs in under three months in 2015. In the face of this adversity, the city decided that it would have to increase its efforts to work with business and diversify its economy, coming back to my earlier point about using smart power policy as a lever for diversification.

The city responded to this much like a business would. They set out to increase their marketing efforts to promote their competitive advantages and formed an internal Development Investment Readiness Team to bargain with private industry and convert tangible investments to profits. The combination of a business-friendly government, municipally owned utilities, abundant gas reserves, and sunny skies have led to massive investment in the city, facilitated by this initiative.

For example, Hut 8 Mining Corporation – and I met with the CEO of Hut 8 Mining in Toronto 10 days ago – doing fascinating work in partnership with the Bitfury group, arguably the world's leading full-service block chain technology company, announced plans to construct a flagship cryptocurrency mining facility in Medicine Hat. This is pretty cool stuff, Madam Chair. Basically, to break it down, with the whole block chain economy, these block chain transactions require enormous amounts of power, and Medicine Hat has cheap power. They've gone the market route in harnessing natural gas, for example, to sell that to companies involved in block chain and in cryptocurrency. Negotiating a 10-year electricity supply agreement and a lease of over 11 acres of land, the city has landed a \$100 million facility that will create 100 construction jobs and over 40 additional jobs at the facility.

He goes on to describe helium liquefaction. The city continues to explore alternatives with the Whale Group, which is a U.S. helium producer, to construct the first Canadian helium liquefaction plant in the Medicine Hat area. That's a great success story in its entirety.

In closing, I have thus left you with two profoundly contrasting stories, he says, of government actions as it relates to private capital spending on projects or infrastructure, with two dramatically different results and consequences.

12:30

I'd like again to acknowledge and thank the C.D. Howe Institute and James Pasieka for that very informative paper about what we're facing in Bill 13 and the legislation which preceded it.

Madam Chair, it's important for me to underscore what my colleague the Official Opposition Energy critic has discussed in this bill, a number of provisions such as, for example, economic withholding, which is of great concern. Essentially, this means that a company should not be receiving a capacity payment and then be denying the provision of electricity when the AESO wants electricity in order to spike electricity prices. This is a very concerning element of the bill.

We're also concerned that real powers for the capacity market will be enacted through regulations by the minister without reference to this Legislature. My colleague has already outlined our concerns with respect to rules for a fair, efficient, open, and

competitive market and has brought forward amendments, that unfortunately have been rejected, in this respect. I can't understand why the government would be opposed to fairness, efficiency, openness, and competitiveness as governing elements of the capacity market proposed in this bill.

Madam Chair, in closing, I would ask the government to seriously reflect on where they are taking us, not only to higher power prices for ordinary consumers but to less competitiveness and less ability to attract capital investment that would allow us to diversify in industries not related to oil and gas and, finally, the overall impact on investor confidence about changing the rules midstream. That's the basic concern that we hear from the industry that invests billions of dollars in power production in Alberta, that Bill 13 creates even more uncertainty just when we need that certainty the most.

For those reasons, it is my intention to vote against the bill.

The Chair: Any other questions or comments with respect to the bill?

Some Hon. Members: Question.

[The voice vote indicated that the remaining clauses of Bill 13 were agreed to]

[Several members rose calling for a division. The division bell was rung at 12:33 a.m.]

[One minute having elapsed, the committee divided]

[Ms Jabbour in the chair]

For:

Bilous	Hinkley	McKitrick
Carson	Hoffman	McLean
Connolly	Horne	Phillips
Coolahan	Jansen	Piquette
Dach	Kazim	Rosendahl
Dang	Kleinsteuber	Sabir
Feehan	Larivee	Shepherd
Fitzpatrick	Littlewood	Sucha
Goehring	Loyola	Woollard
Gray	McCuaig-Boyd	

Against:

Aheer	Gill	Loewen
Anderson, W.	Hunter	Nixon
Cooper	Kenney	Panda
Drysdale		

Totals: For – 29 Against – 10

[The remaining clauses of Bill 13 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

[The voice vote indicated that the request to report Bill 13 carried]

[Several members rose calling for a division. The division bell was rung at 12:37 a.m.]

[One minute having elapsed, the committee divided]

[Ms Jabbour in the chair]

For:

Bilous	Hinkley	McKitrick
Carson	Hoffman	McLean
Connolly	Horne	Phillips
Coolahan	Jansen	Piquette
Dach	Kazim	Rosendahl
Dang	Kleinstauber	Sabir
Feehan	Larivee	Shepherd
Fitzpatrick	Littlewood	Sucha
Goehring	Loyola	Woollard
Gray	McCuaig-Boyd	

Against:

Aheer	Gill	Loewen
Anderson, W.	Hunter	Nixon
Cooper	Kenney	Panda
Drysdale		

Totals: For – 29 Against – 10

[Request to report Bill 13 carried]

The Chair: The hon. Deputy Government House Leader.

Ms Larivee: Thank you, Madam Chair. At this time I'd like to move that the committee rise and report.

[The voice vote indicated that the motion that the committee rise and report carried]

[Several members rose calling for a division. The division bell was rung at 12:42 a.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Carson	Hoffman	McKitrick
Connolly	Horne	McLean
Coolahan	Jansen	Phillips
Dach	Kazim	Piquette
Dang	Kleinstauber	Rosendahl
Feehan	Larivee	Sabir
Fitzpatrick	Littlewood	Shepherd
Goehring	Loyola	Sucha
Gray	McCuaig-Boyd	Woollard
Hinkley		

Against the motion:

Aheer	Gill	Loewen
Anderson, W.	Hunter	Nixon
Cooper	Kenney	Panda
Drysdale		

Totals: For – 28 Against – 10

[Motion that the committee rise and report carried]

[The Deputy Speaker in the chair]

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

Mr. Sucha: Thank you, Madam Speaker. The Committee of the Whole has had under consideration a certain bill. The committee reports the following bill with some amendments: Bill 13. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in the report? Say aye.

Hon. Members: Aye.

The Deputy Speaker: Any opposed, say no. That motion is carried.

The hon. Deputy Government House Leader.

Ms Larivee: Thank you, Madam Speaker. At this time I would like to move that we adjourn until 10 o'clock tomorrow morning.

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

[Several members rose calling for a division. The division bell was rung at 1 a.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Carson	Hoffman	McKitrick
Connolly	Horne	McLean
Coolahan	Jansen	Phillips
Dach	Kazim	Piquette
Dang	Kleinstauber	Rosendahl
Feehan	Larivee	Sabir
Fitzpatrick	Littlewood	Shepherd
Goehring	Loyola	Sucha
Gray	McCuaig-Boyd	Woollard
Hinkley		

Against the motion:

Aheer	Gill	Loewen
Anderson, W.	Hunter	Nixon
Cooper	Kenney	Panda
Drysdale		

Totals: For – 28 Against – 10

[Motion carried; the Assembly adjourned at 1:16 a.m. on Tuesday]

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For inquiries contact:

Managing Editor

Alberta Hansard

3rd Floor, 9820 – 107 St

EDMONTON, AB T5K 1E7

Telephone: 780.427.1875