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**Journal
des débats
(Hansard)**

Monday 8 December 2003

Lundi 8 décembre 2003

Speaker
Honourable Alvin Curling

Président
L'honorable Alvin Curling

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LEGISLATIVE ASSEMBLY
OF ONTARIO

Monday 8 December 2003

ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO

Lundi 8 décembre 2003

The House met at 1845.

ORDERS OF THE DAY

ONTARIO ENERGY BOARD
AMENDMENT ACT (ELECTRICITY
PRICING), 2003

LOI DE 2003 MODIFIANT LA LOI
SUR LA COMMISSION DE L'ÉNERGIE
DE L'ONTARIO (ÉTABLISSEMENT
DU COÛT DE L'ÉLECTRICITÉ)

Resuming the debate adjourned on December 1, 2003, on the motion for second reading of Bill 4, An Act to amend the Ontario Energy Board Act, 1998 with respect to electricity pricing / *Projet de loi 4, Loi modifiant la Loi de 1998 sur la Commission de l'énergie de l'Ontario à l'égard de l'établissement du coût de l'électricité.*

Mr John Yakabuski (Renfrew-Nipissing-Pembroke): I'd like to continue to speak on Bill 4, An Act to amend the Ontario Energy Board Act, 1998 with respect to electricity pricing. This bill calls for the increase of electricity rates in Ontario from 4.3 cents to up to 5.5 cents. There is a provision for those using 750 kilowatt hours or less per month to have their electricity rate charged at 4.7 cents per kilowatt hour. In order to qualify for that, you'd have to live in a telephone booth, with no heat and no electric water heater. It's only a very small portion of the population who are going to qualify for the 4.7 cents per kilowatt hour.

What we're looking at here is 5.5 cents, which is in excess of a 25% increase in the cost of electricity to power users in the province of Ontario. Twenty-five per cent is quite a hike, and it's of great concern for me with regard to residents in Renfrew-Nipissing-Pembroke, seniors living in their own homes, who were encouraged to stay in their own homes by a property tax rebate with respect to the education portion of their property taxes when our party was in government.

Now this government, in addition to taking away that property tax rebate, is further hitting these people with a 25% increase in their electricity costs. I'm just thinking that sooner or later it's going to hit the breaking point for them. One senior in my riding said to me last weekend after the Santa Claus parade in Pembroke—and certainly he doesn't view the Premier or the energy minister as Santa Claus this year—"John, by the time McGuinty's

through with me, I'll have nothing but lint left in my pocket." That's where we're going with this government and this bill.

It's not enough that you'll see your taxes going up in the new year; people who have their children in private schools have lost that credit to keep their children there, and most who send their children to those schools have a religious reason for doing so. What we've got here is another tax, but more importantly, another broken promise. Yes, we've heard it over and over again: a broken promise. This new government campaigned on the promise of maintaining a 4.3-cent per kilowatt hour hydro rate through 2006.

Mr Ted Chudleigh (Halton): A Liberal promise.

Mr Yakabuski: It was a Liberal promise. Thank you very much, the honourable member for Halton. It's just another in the litany of broken Liberal promises.

On top of all those, we've got the broken promise on tax hikes. I was reading an article this weekend in the *Ottawa Citizen*, where the Premier was talking about how he cannot guarantee that we will have a secure supply of energy through the cold winter months. Yet 1,400 new megawatts have come on-line since last winter, but this government insists that it is going to shut down almost 8,900 megawatts of power by 2007, which is of course our coal-fired generational capacity in Ontario.

1850

Where are this Premier and this minister going to get the supply if they shut down those coal-fired plants? They're continuing to promote that line, hand that line, to the people of Ontario. That's another broken promise that's coming down the road, but they want to give them this one in the spring, I'm sure.

What this government says to me is that this government doesn't know where it's going on energy policy; it doesn't know where it's going on hydro policy. It's a stop-gap measure to try to convince the electorate they're actually doing something when they really don't even know where to start because they don't know where they're coming from. The only place they ever got an energy policy before was copying what we did the next day, reiterating that and saying, "Yes, we support that," just like they did on all the changes in the energy act that this government did prior to 2003.

Mr Rosario Marchese (Trinity-Spadina): I just wonder whether the member from Renfrew-Nipissing-Pembroke spoke to the issue of time allocation at all. I missed your other eight minutes from another day's debate and wondered whether you had spoken to it. I

would want your comment on it, because when the Liberals were there and we were here, we always attacked the Conservative government for all the time allocation motions they introduced because we essentially thought it was a bad thing to do.

Jim Bradley, the now Minister of Tourism, would never lose an opportunity, ever, to rush into this House from wherever he was—and if he wasn't here, he was watching television and he would decry and denounce every time an allocation motion was introduced by the Conservative government—and accuse them, rightly, each and every time of curtailing, strangulating—that's my word—debate, because we were never given the opportunity to have the full length of the debate that was necessary to engage the government in terms of whatever it was doing.

This is a time allocation motion. Their programming motion has meant that they've been able to lump together three bills and two motions and one other piece of governmental affair in a way that we have never seen before. While they, the Liberals, used to chide you for all the time allocation motions you would introduce, approximately 45 in the first term, the Liberals in their first opportunity, by a mere couple of weeks in this place, had introduced a so-called euphemism for time allocation motion, a programming motion, that curtails debate in this place. Shamefully they do it, and they do it unabashedly. I wonder if the member could comment on that.

The Acting Speaker (Mr Joseph N. Tascona): Questions and comments.

Mr Pat Hoy (Chatham-Kent Essex): I'm pleased to rise to make a few comments on the speech of the member opposite here in the House tonight.

I think it's important for Ontarians to know and understand that the increase in the hydro rates will not take effect until April 1, 2004. We're giving people ample opportunity to plan ahead for that increase. The first 750 kilowatt hours consumed in any month would be priced at 4.7 cents per kilowatt hour, and a great number of homes will be under that 750 kilowatt hour threshold. So consumers need to understand that, and if they use more than that, they would be paying 5.5 cents per kilowatt hour. There are approximately 60% of Ontario households using less than 1,000 kilowatt hours per month, and since the proposed plan would not take effect until April of next year, consumers will have a chance to take conservation measures within their own home, reduce their consumption levels and limit the impact of any price on their electricity bill.

I know I've met many persons who have said they are going to do this exact thing. It's not so much that there's an increase from 4.3 cents to 4.7 cents. It's not that increase that brings it to their mind. They want to conserve. They understand that there's a duty to assist in ensuring that we have a reliable and predictable source of electric power here in Ontario. They're not doing it so much because of that 0.4-cent increase per kilowatt hour; they're doing it because they're good citizens of Ontario

and recognize the mess that was left to this government to deal with.

Mr Garfield Dunlop (Simcoe North): Thank you very much, Mr Speaker, and it's great to see you in the Chair. I hope you have time to speak later on.

I'm very happy to be here this evening to support my colleague, from Renfrew-Nipissing-Pembroke on his speech on Bill 4. It's very interesting to hear some of the comments he brought out. I sincerely believe that he's on the right track as far as job creation and the impact on the economy. But I'd like to comment just for a moment on the comments from the member from Chatham-Kent Essex. He talked about why we are delaying it. It's interesting that the legislation is being delayed and won't take effect until—

Mr Chudleigh: The spring.

Mr Dunlop: The spring. Why would that be? Quite clearly, that's the time we'll consume the most. This government has no intention of trying to lower the deficit. In fact, they'd actually like to see it expand as much as possible. The fact of the matter is, if you were serious about it, it would come into effect January 1. That way you'd be able to lower the extra money you'll pay on the deficit because that's the time of year when you use the most power and the most energy. They're not serious about it. In fact, they've never been serious from day one about this so-called artificial deficit created by the so-called provincial consultant/auditor. I find it very confusing, the fact that they would leave it to that point. On top of that, after listening to the high-priced consultant, they've got this \$5.8-billion deficit; they still have four months to actually resolve the problem.

Anyhow, my time is coming to an end, but I do want to thank the member for his comments and congratulate him on his efforts.

Mr Michael Prue (Beaches-East York): I rise to comment on the speech from the member from Renfrew-Nipissing-Pembroke. I had the opportunity of coming to this Legislature about two weeks before the honourable Mike Harris decided to resign. I came here and I watched what he had done over the years previous to that. He had attacked, first of all, those on welfare and the poor. Then he turned his attack to the teachers. Then he turned to his attack to the unions. Then he turned his attack to the doctors. Then he turned his attack to those whom he called the professional whiners. But I want to tell you, the very finest attack he did of the lot was when he turned around and attacked his own party. He hoisted them on his own petard and he left them the legacy of privatization. Because on that legacy of privatization, he had done what no one else was able to do until that time: he caused them such enormous grief that they never recovered from it. In fact, in that privatization, they decided, first of all, to sell off the electricity system. Then they decided they were only going to sell off half of the electricity system. Then they decided they were going to have a rate price cap when everything seemed to be falling apart. In the process, they turned a once proud corporation, started by Sir Adam Beck more than 100 years ago, into a bumbling

morass. And in the process they did themselves, I think, irreparable harm.

The party opposite today is attempting to do something. I'm not sure that what they're attempting to do will be enough, because I think they're falling into many of the same pitfalls as the previous government. You have not erased the idea of privatization and—although you're kinder and gentler, I must admit—you have not done what is necessary. You are going to continue on the same failed policy of attempting caps, although they're at a higher rate, and they too will be doomed to failure.

1900

The Acting Speaker: Response?

Mr Yakabuski: I'd like to thank the members from Trinity-Spadina, Chatham-Kent Essex and Beaches-East York, and my colleague from Simcoe North for his comments on the bill and on my address. My colleague from Simcoe North I must say is certainly one of the hardest-working members I've encountered since my time here. My colleague from Trinity-Spadina talked about time allocation. I'm not sure that that was the bill we were talking about, but I really wasn't catching on to his drift there.

Back to the hydro bill: We talked about home owners. I'm concerned about the effect on small business and farmers in the province of Ontario, in particular in my riding of Renfrew-Nipissing-Pembroke. I'm concerned about the effect it is going to have on them, a 25% increase in their hydro rates, starting April 1. It's just a sleight of hand and a ruse that's being perpetrated on the people to hold this increase throughout the wintertime. They'll pass the bill before we go on recess. By the time we get back, or the rate increase starts affecting them after April 1, we'll be gone on the summer recess. They'll be hiding from the people of Ontario again when the effects of this are truly felt in the summertime, when the air conditioning bills start coming in.

This is going to drive jobs out of Ontario, out of my riding. It's going to hurt business. It's going to hurt farmers. It's just another tax increase on the people of the province. It is just one more in what has already been, and promises to be, a continuing long line of broken Liberal promises.

The Acting Speaker: Further debate.

Mr Marchese: I'm happy to have this opportunity to say a couple of things. Welcome, the citizens of Ontario watching this political program. I know there are a lot of you. We're on live. It's 7:03 and we're here for a while, so stay tuned.

First of all I want to attack the fact that this is a time allocation motion and would remind the Liberals of this: The Liberals started changing the rules back when they were in power, from 1985 to 1987 and 1987 to 1990. The New Democrats continued changing the rules in 1990 because we felt nobody in the opposition benches—Tories or Liberals—would allow us to govern. They hated the fact that they had a New Democratic government for the very first time, so they were using all sorts of measures to slow us down. We changed the rules.

The Tories came in and they changed the rules again. I say to my friend from Don Valley West that each and every time we all thought, in government, that we had learned our lesson, it was a mistake. When we did it, it was a mistake. When the Liberals did it before us, it was a mistake. When the Tories did it, it was a serious mistake. Now the Liberals are doing it as well, over and over again.

The member from Don Valley West is new, so she doesn't much appreciate what I am saying. I can understand that.

Interjection.

Mr Marchese: You do?

Ms Kathleen O. Wynne (Don Valley West): There must be a reason. Search your soul. Why does it happen?

Mr Marchese: Search the soul. Why does it happen? Each and every time we change the rules—it was a terrible thing—it got worse and worse. The member from Don Valley West, who hasn't yet had the opportunity to search her soul, doesn't quite understand that when she does have the opportunity and the time to ruminate on the matter, ponder it seriously or look inside her soul, she will understand that each time governments change the rules, it makes it harder and harder in this place to govern efficiently and to do things efficiently and oftentimes effectively. So when she says, "Search your soul and just think about why we're doing it," I know why you're doing it. I know why we did it, and I'm saying to you, rumpfolk, you're making another mistake. What's more tragic, beyond the rump here in the middle, is that the more experienced members across the way who ought to know better still haven't had the opportunity to search their souls.

When the member from Hamilton East was here, and the member from Ancaster-Dundas-Flamorough-Aldershot was there, and Jim Bradley, the now Minister of Tourism, was there—experienced people—and others I have not mentioned—but feel included in the criticism—you were all there, each and every time, attacking the Conservative government for strangulating debate. And it was wrong then, wasn't it? Why would it be less wrong now, when you're doing it? If you could decry it, attack it, diminish it, dismiss it then as an effort by the government to curtail, strangulate debate; if you could understand it then, why—

Ms Caroline Di Cocco (Sarnia-Lambton): On a point of order, Mr Speaker: I believe we're discussing Bill 4, the energy bill, and I believe that the member is not speaking to the bill.

The Acting Speaker: Member from Trinity-Spadina.

Mr Marchese: I thank her for being around and for her programmed response to the programming motion, under which we are here debating Bill 4. I wanted to discuss for a full five minutes why it's wrong to do what you're doing, why it was wrong when you were there and why it's more profoundly wrong when you are now in the government benches. If you understood it then, how could you so easily forget and misunderstand it now? It's just sad, sad, sad, pitiful, pitiful politics. It's no wonder

we have a hard time convincing people out there that maybe each successive government that comes in might be a little better than the one they threw out. Maybe.

But I don't see it, and let me tell you why. When we talk about broken promises, what do promises mean when people make them? They mean that the listener, listening and voting for that government, actually believes that they're going to carry them through. Why wouldn't they? Witness the statements of the now Premier, then leader of the Liberal Party, who—

Ms Di Cocco: On a point of order, Mr Speaker: I would ask that you remind the member that we are speaking to a bill. I know that he has a lot of important issues that he wants to discuss, but in this House when we have a bill before us, I think it's precedent to speak to the bill.

The Acting Speaker: I would just remind the member that we are speaking on Bill 4, An Act to amend the Ontario Energy Board Act, 1998.

Mr Marchese: Speaker, thank you.

McGuinty quotes to remember, Madam from Sarnia: I think the "most important thing to do at this particular point ... is to put a cap on those rates through to 2006." Madame Di Cocco from Sarnia remembers those words well.

Mr Prue: Sarnia-Lambton.

Mr Marchese: Sarnia-Lambton, thank you. It's close.

Dalton McGuinty, Focus Ontario, November 23, 2002: We will "keep the price cap in place until 2006."

"Hydro You Can Trust": the Ontario Liberal Plan for hydro, released September 2003. It's somewhere in the plan.

And McGuinty continues. There are a few quotes, Speaker, on Bill 4. "The Liberals, meanwhile, front-runners in the polls, vow to maintain the rate cap at 4.3 cents per kilowatt hour until 2006—the same time line the Tories have promised."

1910

Broadcast News, September 29, 2003: "Dalton McGuinty says a Liberal government would build additional hydroelectric generating plants ... McGuinty also said he would keep a rate cap in place until 2006 and keep hydro in public hands."

Canadian Press, September 8, 2003: "Liberal leader Dalton McGuinty said his party would keep hydro in public hands."

McGuinty said, "The 4.3-cent-a-kilowatt hour freeze on rates will go sometime after 2006...."

"It's going to add to the hydro debt, and if there was another way around it, I would be delighted to entertain it"—poor man. "It's going to have to come out of rates. It's going to be like a mortgage and we will have to pay it a little longer." I'm exhausted.

There's more: "This is a quick fix, a transparent attempt to buy votes, to buy favour with our own money," said Dalton McGuinty in the Ottawa Citizen, November 15, 2002, in reference to the Tory hydro rate cap.

McGuinty wouldn't conceive of doing anything such as "a quick fix, a transparent attempt to buy votes, to buy

favour with our own money." Oh, no. He understood well why the Tories were doing it. No one is excusing the Tories for putting on the rate cap—no one. We attacked it because it was very good politics. Before the election it was a very good—

Interjection: Clever.

Mr Marchese:—very clever thing to do. They thought, "Ha, it's OK if we put \$700 million or \$800 million off the books. Nobody's going to see it." The taxpayer would be on the hook in the end, but that's irrelevant. "Before the election we can put on the rate cap, because that's OK." It was evil, but you people and your leader said that was OK and would be kept until 2006, not a day less. A mere couple of weeks into your government you abandoned that. You said, "We didn't know there was a deficit." Gerry Phillips says there was "a risk of a \$5-billion—

Interjections.

Mr Marchese: Quiet down. You're going to have two minutes soon.

It was a mere \$5-billion risk. What's a risk if it's not a deficit? What's a deficit if it's not a risk? Gerry, you knew it then. McGuinty, you knew it then. You didn't keep your promise. Why not?

The Acting Speaker: Questions and comments.

Hon Mary Anne V. Chambers (Minister of Training, Colleges and Universities): I rise to say a few words about the energy bill, Bill 4, and the fact that there are times when we have to make tough decisions, and as a government we have the responsibility to define when those times exist.

Interestingly enough, during my campaign there were people who said to me, "We're not sure the commitment you have made on that cap is the right thing to do." Certainly we thought it was viable. I think it's also important that when you discover things have changed, circumstances are different, it takes a very big person, a very big party, a very big government to recognize we need to make a change in what we previously committed to.

Basically, what we are saying is that we're not going to subject future generations to what has been going on over the past several years, because what was going on over the past several years was irresponsible. What we are trying to do with this bill and all the subsequent actions we'll be taking as a responsible government is to manage wisely. I think that's what Ontarians expect of us, and that's what we're going to be doing. It's not going to be easy all the time, but leadership is not easy at all times. We do have difficult decisions to make, and we do have challenges to face. It's really important for the people of Ontario to know that they have a government that's prepared to step up to these challenges.

Mr Bill Murdoch (Bruce-Grey-Owen Sound): I'm pleased to be able to make a few comments on the speech the member just gave. It's amazing how easily the NDP forgets. I'd like to remind them, and I know it's tough to do—short-term memory—but five years and we had \$10

billion each year. They left a \$50-billion debt, and now they're out there complaining.

Interjection: An economic lecture from the NDP.

Mr Murdoch: You're right. It's amazing to get an economic lecture from the NDP here tonight.

Earlier today I remember them talking about the Conservatives helping out the Liberals. I remember when the NDP and the Liberals got in bed together. It was called the bed-wetters' accord—do you remember that, with Peterson? It started this whole mess, the whole spiral downward. Do you remember that time? Peterson and Bob Rae got in bed together, the two of them. They were in this House, and they started the spiral downward. Remember that? Then they let the NDP come in, and they said, "Heck, we've already started spending money. Peterson has been here for three years and he ran a big deficit." He said he didn't have one, of course. Maybe he didn't have Gerry Phillips helping him out then. They left the NDP here, and they had \$10 billion a year.

So now we're into another broken promise. I'm just amazed that the member over there said, "We changed our minds partway through," or something like that. I didn't see the ads change. All I remember is that ad with Dalton McGuinty looking out through the television set saying, "I will not raise your taxes." What happened? Somebody must have taken that picture of him when he wasn't thinking too brightly. "I will not raise your taxes." Then they get here and start breaking promises: "Holy cow, we've got to raise taxes."

Then they've got this bogus deficit—the year is only half done. They hire a high-priced researcher to go out and look at it. They weren't going to do that, but they did it—another broken promise.

Mr Prue: It's always a pleasure to rise and comment on the speeches of my colleague from Trinity-Spadina. He is always eloquent, always poignant and most often, although not today, extremely humorous when he speaks.

What he talked about today were a number of home truths, a number of things the people of this province have come to know and come to rely on and come to consider absolutely true.

It is a home truth that we are here tonight debating this in a truncated format because we have been programmed. As little as the members opposite might not want to talk about that, that is a form of closure, a brand new form in this House, and it's worse because it's an omnibus program closure. It's something that's never been done before in this province and that I hope is never done again.

Mr Marchese: A programming motion is very new.

Mr Prue: It's very, very new and very-

Interjection: It was in 1889.

Mr Prue: OK. They're going back to 1889 trying to search for some solutions. That is a home truth. That is absolutely what is happening here tonight.

The second home truth is that this government ran on a platform of doing one thing and then is doing another. They promised that the rate cap would stay till 2006, and

at their very first opportunity, for whatever reason, they lifted that rate cap—a broken promise.

Another home truth is that the hydro policy they are espousing today is virtually identical to the hydro policy of the government they are replacing. It is almost impossible to see the difference between the hydro policy of the new Liberal government vis-à-vis the policy of the old Conservative government. It is floundering from place to place. There is no commitment to whether they're going to build nuclear facilities or not build them, whether they're going to have a rate cap that floats or moves over time or they're not going to have it. I would suggest that the home truths of the member for Trinity-Spadina are exactly right.

Mr Jean-Marc Lalonde (Glengarry-Prescott-Russell): I listened carefully to the comments delivered by the member for Trinity-Spadina. Let me tell you, I was in a similar position to what he is in at the present time. I've been listening to the debate, I've looked at the OPG report that was tabled last week and I also met with people in my riding after I fought very strongly to have a cap on hydro. But the people are telling me, "Are you the man who misinformed us, or was it the government?" The people ask me that. After looking at the whole situation—after the blackout we had on August 20, the following day we paid up to 53 cents per kilowatt hour for what we had to buy. Looking at this last month, in October, we paid 5.90 cents per kilowatt hour during the month. Every day of the week we're going in the red by two million dollars a day.

1920

I did receive a letter from a hydro commission and I'm just going to read part of a paragraph:

"Local distribution companies, including Hydro Hawkesbury Inc, have been under tremendous financial pressure due to the electricity rate cap instituted in November 2002. In preparation for the opening of the electricity market in May 2002, distribution companies were directed by the government and our regulator, the Ontario Energy Board, to spend \$650 million on changes to the billing and settlement systems that allow the market to operate."

All the time we were told by the former government that we were realizing profits of over \$200 million a month. This is why I fought for those people.

The Acting Speaker: Response, the member from Trinity-Spadina.

Mr Marchese: I thank both friends and foes.

To the member for Bruce-Grey-Owen Sound, who mocks the NDP and said, "Ha, look what deficit you left us," which was in the order of \$9 billion or so, if the NDP could accumulate such a deficit in a recession, how quickly they forget how worse it can be, that in a good economy they can leave us close to \$6 billion in deficit. Imagine that if they could do that in a good economy, what they would have done in a deficit where welfare payments went from one billion to six billion bucks. Please, Bill, you shouldn't remind anyone about your legacy. You tire me out.

The member for Scarborough East says it takes a big person, a big party, to make a change and that leadership is not easy. Sorry member for Scarborough East, leadership would have been for your leader to have said, prior to the election “The rate cap is wrong.” That would have been leadership—before the election, not after the election. How easy it is for you to assume the cloak of responsibility. “These are the cards we have been dealt. What else can we do?” Leadership would have been for you and McGuinty, prior to the election, to say, “The rate cap is profoundly wrong and it’s costing us \$700 million to \$800 million and it will grow.” You didn’t have McGuinty saying that then. What you had him say was, “It’s an attempt to bribe us with our own money,” and he was right.

Interjection.

Mr Marchese: The member for Bruce-Grey-Owen Sound, please, you’re still too loud for my taste.

Leadership is doing it before the election, not after. You broke a promise that was important to the people of Ontario. How you can live with that is beyond me.

The Acting Speaker: Further debate?

Ms Di Cocco: Thank you, Speaker, and congratulations on your new duties. I look forward to the next four years of this. I want to congratulate you.

First of all, I’d like to say to the members from the NDP, and particularly the member for Trinity-Spadina, that when I listen to your comments regarding this bill, I wonder sometimes if in debating there had been just a little bit less theatrics and a little more substantive argument, maybe it would have been a little easier to go to the polls on October 2. One of the problems I think we find in the world of politics is that we have an awful lot of theatrics. At the very root of what responsible government is all about—and I say this because the Minister of Training, Colleges and Universities articulated it very well—you have to make an analysis based on the evidence and the facts before you, and then you make the judgement. You do that, and when you know it’s the responsible and the right thing to do, then you proceed when you do have the position of decision-making. Even though it’s probably less expedient politically, but you know it’s the right thing to do, then you do it. The whole electricity file is incredibly complex and it’s been a tremendous debacle in this province.

We had ideologies for the last 13 years, one to the left that, when encountered by all of their fiscal issues, threw away their ideologies and decided to go a different route. Considering the circumstances, they thought that was the way they should go. Then we had the Conservatives come into power and they had one idea in mind: Privatization will take care of all the problems that we’re going to encounter. That’s what they did to the electricity file. They saw the deep-rooted problems that were there. In 1995, even though we knew we were producing electricity at a greater cost, Mike Harris decided to keep the cap on. They decided to keep selling electricity far below what it cost to generate it, so we ended up increasing that debt.

But they did something else. In 1997 they decided to put on a cloak of secrecy and remove Ontario Hydro from freedom of information so no one could really access the information. This was apparently in preparation for privatization. To make matters worse, under this cloak of secrecy, all types of appointments were made, many appointments. It became a bit of a Senate. I say that because there was no accountability, but lots of money flowed to individuals. We remember Clitheroe and the huge yacht, and I can go on and on. We ratcheted up these huge bills, millions of dollars, and do you know what? No one was looking after the consumer, the person who has to pay their bills. Every single day, all the ordinary person wants to do is make life better for their kids and their families—individuals who go out to work every day and small businesses who are trying to create wealth in this economy. And what happened? We had a government that was out of control and this huge, huge entity called OPG that, as we see, was out of control as well.

We have a responsibility. The people of Ontario entrusted Dalton McGuinty and the Ontario Liberals with governing this province. We take a look at what we have before us, and what do we see? We see that we have to spend \$2 million per day to keep our lights on. If we keep doing that—and we could. It could be very politically expedient to do that. “Let’s just paper over the problem.” But we said no, we can’t that because it’s not right. We have to find a way to be able to gradually bring the rate of cost up to what it costs to generate electricity because we cannot keep doing this. Our children and our grandchildren will not thank us for it. Somebody is going to have to pay the price at some point in time, so we have to deal with it. We have to try and deal with it in a responsible way.

Let’s stop this sort of fudging the numbers because we don’t want to tell the public the real story, because if we tell them the real story we’re not going look very good politically. That was, unfortunately, the style of the governing Conservatives of the day. It was all about image. It was all about messaging. It wasn’t about reality. It wasn’t about dealing with the hard truth, that we were sinking into a bigger and bigger hole when it comes to our electricity.

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What have we tried to do? We have said that starting April 1, 2004, the first 750 kilowatt hours consumed in any month would be priced at 4.7 cents per kilowatt hour. If we consume above that, then we’re going to go to 5.5 cents per kilowatt hour. In my riding, I was told by our Bluewater Power that the average consumption per household is 790 kilowatt hours per month. That is the average consumption in my riding.

You say, “Is this onerous?” Of course, it’s always onerous when we have to pay bills. But we have to be realistic. We also have to give adequate time for the public, for those who have to pay the bills, to try to conserve energy and give them an incentive to conserve so that if

they keep it under a certain rate of consumption, they won't pay as much.

One of the issues that I believe we have here in Ontario, and we've had it, I believe, for eight years, is this myth that somehow, if you can keep messaging something out a certain way, it will eventually become the truth. Well, it hasn't. We have an incredible, if you want to call it, challenge before us, but we have the political will to be responsible in how we make our decisions, and to deal with the problem and to try to solve it.

The Minister of Energy has taken some incredible steps; that is, he had to take a look at who was running the show and hold them accountable, because they're paid the big bucks. They're paid the big bucks to make this whole entity run, and what did we find? We found cost overruns at four times the initial price, without explanation.

Also, we found that there's very little expertise on the board. This is what was amazing: One of the largest cost entities in the province and a board of directors who are all finance people, and they were all friends of the Tories; unfortunately, they did not have the expertise to bring this huge monster in line so that we could deal with our electricity issues in a more responsible way. We have to keep the lights on in this province, we have to restore confidence in our electricity system, and we have a lot of good people there who want to do that. But we have to do some rejigging of those who are making decisions at the top, because so far it hasn't worked. What we've seen is that we've added \$800 million to the debt of Ontario Hydro and we're not in any better shape than we were eight years ago, unfortunately.

Mr Chudleigh: That was an interesting dissertation on hydro and on electricity and on whose fault what is.

On October 23, I think it was, the swearing-in process, the Premier made a wonderful speech. It was a very emotional speech. He was talking directly to the people of Ontario and he said that we're going to work as hard as you work. We're going to roll up our sleeves and we're going to do what you do every day. We're going to work very, very hard.

Since October 23, I've heard them complain about the hydro situation in Ontario. I've heard them complain about the budget, I've heard them complain about the situation that Ontario finds itself in today, but I haven't see them do one single thing to correct it. When we were elected in 1995, in the first 30 days of our government, we brought in a bill; we brought in a mini-budget that cut \$2.3 billion off the budget. Immediately on being elected, we did that.

The other thing the Premier said on that day, on October 23, after he told the people he was going to work as hard as they did—and he hasn't done a damn thing since—he said, “We are not going to blame others.”

Interjections.

Mr Chudleigh: Withdraw. That was probably unparliamentary, and I'll withdraw.

The Acting Speaker: Member from Halton withdraws his comment.

Mr Chudleigh: Sorry. But he also said that we are not going to blame others. Since October 23, I have heard little else from this government than blame being placed on everybody in the province, everybody in the county, with the exception, of course, of themselves. But you can expect that because they are, after all, Liberals.

Mr Marchese: To the member from Sarnia-Lambton, accusing the NDP of theatrics and, “If only we could deal with the substantive issues.” Dalton McGuinty, Ottawa Citizen, November 15, 2002, says of the rate cap the Tories had imposed, “This is a quick fix, a transparent attempt to buy votes, to buy favour with our own money.” On November 23, 2002, the same McGuinty, your leader: “I think the most important thing to do at this particular point in time is to put a cap on those rates through to 2006.”

What's “theatrics,” in your mind, Madam from Sarnia-Lambton? Could you define it for me when you get up and have another opportunity to do your two-minute conclusion? Is it theatrics for us to accuse your leader of saying something before the election and then changing his mind after? Or is it substantive debate and discussion on the issue?

What your bill does, Madam from Sarnia-Lambton, is this: The rates will rise from 4.3 cents to 4.7 cents for the first 750 kilowatt hours used in a month. After that, the rate goes up to 5.5 cents. This plan will stay in place until the Ontario Energy Board develops a new one in May 2005.

This attacks the consumers once again. They're going to get increases in distribution rates and transmission rates and everything else, in all that list that they're going to hike. While you say this, no one is looking after the consumer. All this does is increase rates; it doesn't solve our hydro problem. McGuinty replaces the old rate cap with a new rate cap, but the same profit-takers and commission-makers are still in place. Nothing has changed. The new Liberal law makes it easier to hike distribution rates. This is not energy conservation; it's a problem you haven't solved.

Mr Shafiq Qadri (Etobicoke North): My honourable opponent opposite, the MPP from Trinity-Spadina, has asked for a definition of “theatrics.” I'd be very pleased to provide him with one: It's something that is meant for entertainment, for amusement, full of passion and, as Shakespeare said, a show full of sound and fury, but at the end of the day, signifying nothing, sir. That's probably a pretty good definition of “theatrics.”

I would also like to deal, with respect, to some of the comments from the MPP from Beaches-East York, in which he very rightly delineated some of the history and philosophy emanating from the Tory party.

Mr Chudleigh: On a point on order, Mr Speaker: I recognize the member's a new member, but I'd just like to point out that when you're doing the so-called two minute hits, you're supposed to be making the comments on the person who was making the speech, not on the

individuals who were commenting on the speech. That is parliamentary tradition. I just point that out for your edification.

The Acting Speaker: That's in order.

Mr Qaadri: I would like to first of all deal with some of the comments made, with respect, by the MPP from Beaches-East York, who delineated a little bit of the philosophic stance coming from the Tory party, talking about the attempted privatization. As my honourable colleague, the MPP from Sarnia-Lambton, Caroline Di Cocco, quite rightly pointed out, we in the McGuinty government wish to bring responsibility back to the hydro and energy sector.

I would like to remind this chamber and Ontario that it was the Tory party who was engaging in a full-blown privatization of Ontario Hydro. The company that was going to underwrite that placement was going to pocket, for that single transaction alone, \$100 million. We in Ontario, we in the government, believe we should put people first and that's why I support this bill.

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Mr Dunlop: It's a pleasure once again to rise this evening and discuss Bill 4. There are a lot of interesting comments coming out of here tonight. It's always interesting to hear the different opinions from each of the different caucuses, but I don't think there's anyone in this House, in any political party, who can actually stand and honestly say that they haven't had a problem with Hydro, that they haven't been part of the problem with Hydro, and that takes us back 30 years. I really do hope that we can get it right.

I do disagree this time with the lifting of the cap. I thought that we were going in the right direction and generation would come onside, but the fact of the matter is, I think you know full well that you are not going to resolve this.

Interjection.

Mr Dunlop: Yes, we would have kept it in place. We promised it to 2006. We kept our promises. It's got to be shameful for you to go back to your constituents today, face farmers, face small business people, face small manufacturing companies and say, "We did it for the good of you." You know full well after you've blatantly stood on TV and promised two things, "We won't raise your taxes and we'll leave the cap in place until 2006"—

Interjection.

Mr Dunlop: To the member over here who just made the comment about the Tory blame: I can remember specifically Dalton McGuinty, almost two years ago to the day—I believe it was December 12—standing out in front in a scrum, saying to the media, "I fully support privatization. I support the sale of Hydro." Dalton McGuinty said that, the gentleman who sits right over there.

Mr Chudleigh: The Premier?

Mr Dunlop: I think he's still the Premier today, yes. I haven't seen him for a few days, but he's probably the Premier. The fact of the matter is that that's what he said, that he fully supported the privatization of Ontario Hydro

and OPG. Ladies and gentlemen, again thank you for the opportunity to stand here and say a few words.

The Acting Speaker: Response?

Ms Di Cocco: I thank all the members in this House for their comments. First of all I want to, for the record, suggest that this government to date, in the very short time it has had in this House—three weeks—has taken some significant steps and significant actions to address this issue. We have lifted the cap. We made a fair and responsible solution to this problem. Our government wants to promote a safe, reliable and sustainable supply of energy.

The plan is a major step toward attracting new electricity supply in Ontario for future energy needs. We are sending a clear signal that Ontario intends to deal with electricity in a practical, sensible and transparent way. This plan reaffirms our commitment to modernize our electricity system by attracting new supply, encouraging conservation and delivering cleaner energy to the people of Ontario. We have made very strong commitments to get this right.

In four years down the road we will be again speaking on this issue. It is with our track record that we are going to go to the people of Ontario again. This energy and electricity issue is something we've dealt with head-on in the first few weeks in this Legislature. I say to the members on all sides of the House that it is to the benefit of the future of Ontario that we must and will get this electricity file right for now and for future generations.

The Acting Speaker: Further debate?

Mr Chudleigh: Congratulations on your appointment as Deputy Speaker in the House. Was it an appointment or was it an election?

The Acting Speaker: It was an appointment.

Mr Chudleigh: It was an appointment. Well, good for you.

The Acting Speaker: As second Chair.

Mr Chudleigh: I'm sure that with your background and the integrity you've shown in this place over the years, you'll make an excellent Deputy Speaker.

Interjection: Just about as good as Bert.

Mr Chudleigh: You can't fit in his uniform, but I don't think Bert wants to give it up. I'm sure he's keeping that in a special place in his house. He'll put it on on special days, as I'm sure you will.

I believe we're talking about Bill 4 today. It's an interesting bill. As the member from Simcoe North talked about, there hasn't been a party in this House for the last 30 years that hasn't had a problem with Ontario Hydro and electricity supply in this province. I guess my main concern on this particular bill was that of the broken promise. When you look into the camera, when you promise the people of Ontario that you're going to do something and then very blatantly, only a few short weeks after the election, you change your mind and you say, "Well, it wasn't sustainable," you're really saying, "Well, I hadn't thought it through." You might be saying, "Well, I didn't expect to get elected. Well, it just didn't

work out.” You’ve broken that promise to the people of Ontario, and that is breaking a faith.

I don’t think the people of Ontario will forget that very quickly. I don’t think they’ll forget it in four years, and I think that might be a label that rests on the shoulders of this government for some time to come. That is unfortunate.

Along with the broken promises of the tax cut, which was one that—I think every Ontarian saw that television ad during the campaign with a very sombre, very serious-looking Dalton McGuinty looking into the camera and saying, “I will not increase your taxes,” and then bringing in a bill that not only increases taxes but increases them in monumental proportions—\$4.4 billion—the largest tax increase in Ontario’s history. Another broken promise. That’s Bill 2, the Fiscal Responsibility Act. A \$4.4-billion increase, another broken promise, just like the hydro cap broken promise. I know the members opposite don’t want to talk about broken promises, but I’m sorry, I’m in opposition. It falls on my shoulders to remind you and to remind the people of Ontario about the broken promises of this government.

There were other broken promises less than 18 hours after he was elected. In one of his campaign promises Dalton McGuinty said that he wouldn’t be hiring any expensive consultants. Eighteen hours later, of course, he was hiring Erik Peters at \$1,500 an hour to come up with a bogus budget. It was as if he started out his process—

Mr Ted McMeekin (Ancaster-Dundas-Flamborough-Aldershot): Your guy.

Mr Chudleigh: Oh, Erik Peters was not our guy. You had to read some of his reports. No, he certainly wasn’t our guy.

Hon Dwight Duncan (Minister of Energy, Government House Leader): Everyone else is to blame.

Mr Chudleigh: No, we don’t blame people. Dalton said he wasn’t going to blame people. That was his third comment on October 23. He said, “We’re not going to blame others.”

Interjections.

The Acting Speaker: Minister of Energy, come to order.

Mr Chudleigh: That was your leader’s comment: “We’re not going to blame others.”

Hon Mr Duncan: Where are you sitting now?

Mr Chudleigh: Yes, we’re sitting over here, and it’s our responsibility to remind people of the broken promises. That expensive auditor brought in a bogus budget. It was as if this government was trying to create a financial crisis. I remember that comment when you were sitting over here. You were screaming about creating a crisis. Well, let’s wait and see what our Minister of Finance bring in in his report. When is he bringing that in, Thursday? Let’s see what he says. Let’s see if he’s not trying to create a further financial crisis. It’ll be interesting to see what he says.

There was also the issue of the respect for tradition. That was something the Premier said he was going to do: He was going to respect tradition. There were a number

of things that happened that didn’t necessarily show a tremendous respect for tradition.

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One of them was the retrogression back to appointing a Speaker as opposed to electing a Speaker. We elected a number of Speakers since 1990, a situation that the NDP brought in when they were in government, and electing a Speaker was a democratic process. All of a sudden, in 2003, we’ve retrogressed back before 1990, and the Speaker is no longer elected, he is appointed.

The other issue that didn’t necessarily respect tradition was the seating of the rump and dividing the opposition. That was something that goes back to 1947, when that same situation existed in this House. That’s a fairly long tradition, going back to 1947, and yet you turned your back on that tradition as well.

The broken promises are something, along with the hydro situation, that is going to rest on your shoulders for some time to come with the public of Ontario.

The democratization of this House is something you’ve talked about, and yet here we are with a finance bill of monumental proportions and with an energy bill that is a very significant situation to many Ontarians, and you’ve given one day’s notice for one day of hearings on the bill. That’s a little difficult to stomach as part of a democratization on this province.

Mr Dave Levac (Brant): Talk to your House leader.

Mr Chudleigh: The tail doesn’t wag the dog; I’m sorry.

When these increases start to go through, there are a number of things that are going to happen in Ontario over the next few months. Commercial users of electricity are going to have an 18% increase in their hydro bills. Consumers are going to have up to a 28% increase in their hydro bills.

With the minimum wage increase, which is ratcheted up all through the scale, it isn’t just the lowest-income people who get an increase, if minimum wage goes up a buck, \$12-an-hour people go up a buck; they expect that to happen. Over the course of the next few months, that will happen. There will be an increase in the wages of Ontario business of 15% or 16%.

By 2006, corporate tax rates will go up 57%—a 57% increase in corporate tax rates. You’re putting up their electrical rates, you’re putting up their wage rates and you’re putting up their corporate tax rates.

Where do you expect the economics of this province to come from if not from small business? Small business hires 82% of the people in Ontario. Those are businesses that are less than 100 employees. Some 82% of the people of this province work for those kinds of companies, and you’re hitting them with increased electrical rates, which they all use; you’re hitting them with increased minimum wage rates; and you’re hitting them with increased corporate taxes.

The results to this province, I suspect, are going to mean that Dalton McGuinty will become the Buffalo man of the year, as the Buffalo economy expands as they exit Ontario. Corporations have all kinds of flexibility.

They can go wherever they need to go in order to make money, in order to be as profitable as they can be. If that place is not Ontario, if Ontario becomes a high-cost jurisdiction, which with these three moves you're beginning to do—in fact, you're well down the road to it—then—

The Acting Speaker: Questions and comments?

Mr Levac: On a point of order, Mr Speaker: I just wanted to make sure that—the member opposite made a reference to the appointment of the Speaker. There was an election; it was an acclamation. Therefore, I would like him to withdraw the accusation that our Speaker was not elected.

The Acting Speaker: That's not in order. Questions and comments.

Mr Peter Kormos (Niagara Centre): I'm listening to this member from Halton, and I find myself agreeing with his criticism of the committee process; for instance, how undemocratic it is, how there's but 12 hours' notice and less than four hours, give or take, for public participation. But you voted for it. The member for Halton voted for the time allocation motion that created this undemocratic committee process. So you're right, member for Halton, it is incredibly undemocratic. Why did you support it? Why did your House leader, the Tory House leader, the member for Leeds-Grenville, stand in this House with great pride and say how he, arm in arm, shoulder to shoulder with Dalton McGuinty cut this deal for such an undemocratic committee process? Then, when the motion came before the House, you guys whined and didn't want to even debate it. You stand up here now and complain that the committee process is undemocratic, and I say to you, you're right. You're the author of it, member for Halton, you and your House leader, Tory Mr Runciman, Dwight Duncan's tight collaborator, co-conspirator, jackboot buddy in the suppression of democracy.

You see, don't vote for time allocation, member for Halton, and then come here and whine about it. You are the author of your own misfortune. Don't complain about inadequate committee hearings when you and your caucus crawled into bed with the Liberals to cut that very deal. Don't stand in here and condemn the very motions that you helped draft and that you voted for. I find it remarkable that any Tories would speak with any criticism about that arrangement because, Lord knows, they weren't here speaking in support of the motion when it was before the Legislature. They were whining because it was too late and they didn't really want to be here. Well, put up or quiet down.

Mr Lorenzo Berardinetti (Scarborough Southwest): It's my pleasure to have an opportunity to make a two-minute reply to the comments made by the member for Halton here today. I just want to focus basically on one theme in his 10-minute speech, and that is, he kept bringing up the issue of a broken promise. I don't think the people of Ontario are going to focus on an issue or a phrase or mantra that's continuously being made by the Conservatives about broken promises. The key here is

that there's a broken energy system. It's a broken system that's not working, it's a system that has huge cost overruns, it's a system that needs to be changed. What Bill 4, in front of us today, does is start looking at repairing that broken energy system, a system that includes a Pickering plant with huge cost overruns, a system that has artificial price caps in place that were created, if I'm not mistaken, at a photo-op in Mississauga in the household of a young couple, who now apparently don't support that cap any more.

I think it's time to be responsible, and that's what the people of Ontario really want to hear. They want to see responsible legislation and responsible decision-making take place, because in the end it's their pocketbooks that are being affected. There's no use yelling and screaming and saying, "Backroom deals are being made. You guys were in bed with those guys, and those guys were in bed with these guys. You guys are trying to cut deals with other people." The bottom line here is the dollar and being responsible with the taxpayer dollar. Bill 4 does exactly that, and I'm proud, as a member of the Liberal government, to support it today.

Mr Yakabuski: I want to thank the member for Halton for his wise words on this energy bill and others. We're talking about this rate increase in hydro, and earlier I heard the member for Chatham-Kent-Essex say that the average home in this province uses 1,000 kilowatt hours of power per month, so all you've got to do is reduce that to 750, and with a good personal conservation program it shouldn't be too hard. Of course, no problem. When you bathe the baby, from now on make sure you bathe him in cold water. I'm sure he'll like that. The screaming stops shortly. Eat meat that's not cooked or something. Eat some raw meat; you'll save on that stove. You'll get that energy usage down to 750 kilowatt hours per month, and then you'll be the recipient of that wonderful rate of 4.7 cents per kilowatt hour. It's no big deal; just a little bit of conservation. It's only 25% of your energy use. It shouldn't be too hard to cut your usage by 25%. Let's all just shut the main off for six hours. That's one quarter of your day. We'll do it that way. But do it in high peak times of the day. This government is now saying that you're going to get the good rate, folks, even if you do live in something bigger than a phone booth. You've just got to cut that use by 25%, and we'll have you coming in at that 4.7 cents a kilowatt hour. So the baby screams, so you get salmonella, what the hell. Just cut back on that usage and everything will be fine.

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Mr Prue: I listened with great interest to the speaker, and I have to tell you that his speech was really in three parts. This is something that I guess is trifurcated. We've heard a lot about bifurcated; let's have trifurcated.

The first part of his speech was pretty good. He talked about the broken promises of the Dalton McGuinty government, the 231 promises, and how many of them are not coming true or are being completely changed. This hydro is a beauty. This is a real beauty on the rate

caps. It's one of the biggest broken promises of this new government.

Then he lost me for a while. He started talking about his government and what they had been doing. I was immediately reminded of one of the most famous lines of probably the world's greatest philosopher, Socrates. My Greek's not that good, but the English paraphrase is quite simple. He said, "I would gladly be persuaded, sir, but not against my better judgment." I have to tell you that he was absolutely right. What I heard in this second part of the trifurcation, no one could possibly believe in good judgment that what was being said about how wonderful the Conservatives had been around this hydro issue could possibly be true. They botched the privatization, they botched the hydro rates, they botched the cap, they botched everything to do with hydro.

Then all of a sudden in the third part he was absolutely right again. He talked about what's going to happen with the rate cap being removed and who's going to be affected. He talked about industry and the number of jobs that may be lost when industry has to pay more for electricity. We've already seen that in northern communities around mines, and we've already seen some of the problems in the auto industry. He talked about the working poor and how were they going to possibly afford this, and none of that is in the bill. He also talked about small business. These are the issues that we must deal with before this bill is finished. We must deal with how these people who are going to be hurt are going to be helped.

The Acting Speaker: Time. The sponsor, the member for Halton.

Mr Chudleigh: That was a wonderful summation. I didn't realize I had broken it into three parts. That was wonderful. The fourth part that I was going to get to was the solution, part of the solution. We did start to expand Sir Adam Beck. We were drilling the tunnel which makes—

Hon Mr Duncan: We're nowhere near that. We don't even have the approvals in place.

Mr Chudleigh: Well, you should move that along as quickly as you can. We started out that process. It's not only doubling the capacity of Sir Adam Beck 2 but also building Sir Adam Beck 3, which is, I believe, in the area—perhaps the Minister of Energy can comment on this—of 250 megawatts, which is a significant increase.

Shutting down the coal-fired plants is going to be a huge mistake. It might have some environmental impact as far as publicity is concerned, but the energy that we're going to be buying is going to be coming from the United States and it's going to be coming from coal-fired generators which have no scrubbers on them whatsoever. The Lakeview generating station, for instance, has some significant scrubbers. They scrub about 50% of the dirt out of the effluent. The energy that we would be buying from the States will have no scrubbers and 50% of the pollution that comes from those coal-fired generators in the United States will also come to Ontario.

The other thing I was going to mention was that the federal government, your cousins down in Ottawa,

continue to charge GST on electricity in Ontario. The Ontario government of course does not charge PST on hydro bills, but the federal government still sucks up 7% out of all the electricity bills in Ontario. That is something you should take to Ottawa and try to correct at your earliest possible convenience.

Mr Dominic Agostino (Hamilton East): Thank you, Speaker, and I want to congratulate you on your election to the chair as well.

First of all, let's take a look at how we got into this situation we're in today. We had five years of an NDP government whose solution to dealing with the hydro crisis was to buy some rain forest in Costa Rica. That would help. This same party opposed the price cap when it was brought in and now opposes lifting the price cap. As usual, consistency and the luxury of not having to be responsible in your decisions—we see it every day.

Then we had eight and a half years of the incompetent Tory government trying to deal with this issue. Remember Ernie Eves's 11 different positions on hydro: I'm in favour; I'm opposed; I'm in favour; I'm opposed; I'm in favour; for the by-election, I'm opposed—11 times. Then they brought in the price cap and promised that the price cap was going to be revenue-neutral. They said to the people of Ontario, "It's not going to cost you anything." They said to the taxpayers, "We're going to bring in the price cap and it's not going to cost one additional cent." As we now find out, the cost so far has been \$800 million.

So you look at that and you look at the context in which we had to make this decision, and I think the people of Ontario understand that what the Premier, with the energy minister and this government, has done is brought in a fair and reasonable plan to deal with this mess. This reflects the true cost of electricity. We're approaching that true cost. But it's also done in a manner that is incremental. This plan allows the opportunity for conservation and gives incentives for conservation. It's the first time in the history of the province that there's been a plan in place that actually gives an incentive for people to conserve energy.

The NDP tried. I remember they were floating around the idea of giving everybody a free fridge back around the time they got elected. An energy-efficient fridge was part of what I remember their energy minister musing about at that time. Is this is sustainable? The reality is, it would have been irresponsible for this government to continue on this path of an \$800-million-a-year subsidized cap, first of all because it would take away from our ability to pay for other programs, it would take away from our ability to pay for health care, education, clean air, clean water, meat inspection, things that are necessary to the people of Ontario. It would have been irresponsible for us to bury our head in the sand and pretend this did not exist, that this somehow was going to be a debt in a corner somewhere that did not reflect upon the people of Ontario.

This bill in front of us now is going to protect consumers because there are going to be predictable

increases, there will be stability in the industry and also, as I mentioned earlier, there's an incentive to conserve energy. Part of this plan as well is that it will go toward ensuring that we promote a safe, reliable supply of energy for the future because the reality is, we don't produce enough energy in this province right now to meet our needs. The reality is that unless we get our act together very quickly on this and work together to find renewable sources, to find sources of energy that are going to help this province, that are going to help produce more energy, we're going to continue down this path.

I believe this bill does that. It's a start. There's no quick fix here. There's no simple solution, as the Tories and Ernie Eves liked us to believe before the election, to this mess that we're in. It's going to take some time, it's going to take some work, it's going to take some energy, but certainly the commitment is there by this government to deal with this issue.

2010

The previous speaker from the Conservative Party talked about promises. We saw the mess that has been left here. We saw OPG—Ontario Power Generation—totally out of control. The report that came out last week: a \$4-billion overrun at Pickering, bloated salaries, bloated expenses, bloated bonuses, rewards for incompetence. Our energy minister has made a commitment to deal with this. Some steps have been taken and more will be taken.

These were the guys across the floor, the Tories, who prided themselves on being good fiscal managers. They knew how to run a province. They were business people. They were the people who understood the bottom line. They portrayed themselves as those who understood the best interests of Ontarians. What we saw was eight and a half years of total mismanagement.

They told us there was going to be a balanced budget. We remember Ernie Eves, Janet Ecker and others on Focus Ontario: "We're going to balance the budget. Don't worry about it; there's no problem." Then we saw a mess that was close to \$6 billion and growing across the province. I can't believe for a second that Eves and the Tory candidates did not know the mess we were going to be in, but they continued to tell the people of Ontario the same story enough times, hoping they would believe it. They say \$100 million in the hydro cap was one part of that. Ernie Eves stood in this House and across the province and said, "Revenue neutral." In the real world, \$800 million a year is not revenue neutral. So we're dealing with a mess that we inherited.

We're dealing with eight and a half years of a government that lost all respect for this place and what it does. I remember the member across the floor speaking about respect for tradition. The Magna budget—talk about respect for tradition; talk about breaking every democratic principle we established in the history of this place by taking a budget and making it a media production of it outside the Legislature of Ontario. That's respect for tradition, for democracy? They invoked

closure on legislation more than any other government in the history of Ontario—talk about respect for democracy.

Hon Mr Duncan: Except for the NDP.

Mr Agostino: Of course. I'm trying to wipe those five years from memory, but it's difficult.

Responsible government means having to make some tough decisions. Responsible government means having to bite the bullet and do what is right for the people of Ontario, not only for tomorrow or the next day but five, 10, 15, 20 years from now. This energy pricing that we've outlined and what will follow are part of that. Can you imagine if we had done nothing?

The Tories said they would just kept the cap as it was. It was business as usual. Assuming we even had enough energy on line for the lights not to go out in the next four years, we would have had a deficit in this area of a minimum of \$3.2 billion additional. But the Tories think that's responsible government. That is the type of thinking that got us into the mess we're in today. Just continue adding and pretend the debt doesn't exist, pretend that somehow, someone else has to worry about it, that future generations of Ontarians don't have to deal with this debt, that somehow this debt can magically be swept away by someone snapping their fingers or waving a wand and it's gone. That is not the reality.

Premier McGuinty and the Liberals understand the fiscal reality we're dealing with today in Ontario. They understand we've got to be fiscally responsible. We made that commitment to the people of Ontario, and we're going to keep that commitment.

This is one of the steps in that fiscal responsibility, but it does much more. As I mentioned earlier, it does promote conservation, and really that is the key: How do we quickly reduce energy use in Ontario in a safe, efficient way? There's waste everywhere; we all know that. I think all of us are guilty of that to some degree when it comes to energy consumption in our own homes. Maybe this legislation will give us the extra incentive to switch that light off or not use energy at peak or not do half a load of laundry. It may give people that incentive. So it does promote conservation.

But what it also does is lay out a responsible plan for the future to ensure we have enough energy so that when you turn a switch on, the lights go on, and to ensure we have the type of climate in Ontario where there can be investment in new sources of energy. We cannot sustain the rate we're at today and continue to operate and think everything is going to be wonderful without new sources coming on line.

I am pleased to support this bill, and I congratulate the Premier, the Minister of Energy, the government and my colleagues for bringing forward what is a forward, responsible approach to dealing with the mess that's been left to us by 12 or 13 years of governments that simply did not get it. This government gets it, and we'll get it right.

The Acting Speaker: Questions and comments?

Mr Marchese: To the member from Hamilton West, who is a veteran in this place—

Interjection: East.

Mr Marchese: Hamilton East.

The rate cap was not responsible; it was irresponsible. We knew it, you knew it and your leader knew it. I put this to you, member from Hamilton East: When your leader said, "We will keep the price in place until 2006"—that's in your platform—that was an irresponsible promise to have made. How is it that you could wave the magic wand before the election and say, "Yes, we can keep the rate cap until 2006," but after the election the magic wand disappears and all of a sudden you become a responsible government, a responsible leader, playing with the cards you've been dealt? Why didn't you keep the magic wand you had before the election?

I tell you in addition, member from Hamilton East, that this plan is not a conservation plan. I'm not sure where you find the logic to say that. This is a rate hike and nothing else. It's a rate hike for everyone and nothing else. What you're doing is making people pay for private speculation. People are paying so that companies like Brascan can take money out of my pocket and out of your pocket. Bottom line: As long as your Liberals keep deregulation alive, someone, either ratepayers or taxpayers, has to feed that beast. I'm sorry, but you can't conserve with this strategy. All it means is a rate hike and a broken promise, nothing more.

Mr Khalil Ramal (London-Fanshawe): Mr Speaker, first I'd like to congratulate you on your position. I'm looking forward to working with you for the next four years and speaking to the other members and to the people of Ontario through you.

All night I have been hearing talk about breaking promises from this side and that side. I don't think we can call it breaking promises. I would call it a responsible act. As the honourable Minister of Training, Colleges and Universities said, it takes a strong, responsible person to make a decision that will affect all Ontarians. That's what happened when the Minister of Energy and the McGuinty government took that decision.

We as Liberals know, as do the people of this province, that it's a very hard decision to make. But in order to protect our economy, in order to ensure we have a better future for our kids, sometimes we have to make difficult decisions. Lifting the cap is one of the most difficult decisions we are facing, but one strong person has to make that decision. We have to make that decision to go through our promises and implement our promises toward education and health care and social programs which we promised to deliver to the people of Ontario, and we will.

2020

Mr Dunlop: Again, it's a pleasure to rise and make a few comments. It's always interesting to see the finger-pointing from the members opposite. It's something that I guess we'll become very used to in the next four years.

The member from Hamilton keeps talking about "the mess." I wonder why you voted for the mess. Last year, you supported all this legislation. From the Energy Competition Act forward, in 1998, Dalton McGuinty has

continually supported Hydro deregulation and privatization, up until December 12, 2001, when, as I said earlier this evening, he blatantly supported the complete sale of what we called Ontario Hydro, or the breakdown of OPG and Hydro One. The fact of the matter is, you people stand over there and say you inherited a mess after you supported the legislation over and over. I think Liberal candidates across the province have done their very best in the last provincial election, other than to say that they would not lift the cap, to just avoid the whole Hydro issue. They certainly did in Simcoe county, in our ridings; they wouldn't even talk about it. When they did bring it up, they didn't really know a lot about it. The fact of the matter is that for the member to talk about some kind of a mess they inherited, of course he forgets to say that they actually supported the mess.

It's always interesting to hear these types of comments, especially when we are debating such an important issue as the loss of jobs here in the province of Ontario. Thank you again for this opportunity.

Mr Prue: I listened as well to the member from Hamilton East, and I have to tell you that throughout that entire 10-minute speech that talked about conservation, I never heard any conservation measures. The only thing they were saying is that if you raise the prices high enough, often enough, people are going to have to cut back. That is not much of a conservation measure. What that is is a slow starvation measure, particularly for those who are in lower and worse economic circumstances. They are forced to cut back on the very necessities that keep them, often, in their own homes, in their own apartments. They are forced to pay amounts that they can ill afford to pay. With the greatest of respect, all that happens is that they see the costs go up as their standard of living declines. Where is the energy conservation in that?

If this was a plan with true energy conservation, you'd be doing something like the state of California did after they got into the whole debacle of Enron, the whole debacle where millions and billions of dollars were siphoned off when that state decided they were going to do something similar to what the Conservatives here in Ontario tried to do. They tried privatization. They allowed a corporation to literally rip the people right off.

What Californians have learned is that it is far more important today not to build more electricity transmission, not to build more sources of distribution, not to build the giant power plants, but to conserve. The rate of electricity in California today is much less than it is here in Ontario, averaging about three cents. The reason that is the case is because they have been singularly able to reduce the amount of electricity that is being used in that state. They've done it through incentives. That's what we should be doing, looking at incentives, because without those incentives we will continue to use far too much electricity. We will use it for stoves and fridges; we will use it for heating; we will use it for any number of sources. Quite frankly, starving people and costing more money is not the way to conserve.

The Acting Speaker: Response by the member for Hamilton East.

Mr Agostino: I want to thank my colleagues from Trinity-Spadina, London-Fanshawe, Simcoe North and Beaches-East York for their contributions to the debate.

I find it incredulous when I listen to NDP members speak on this issue. The cap was bad. Remember that? You voted against the cap because you thought it was a lousy idea. Now you're sitting here in the House and you're speaking against lifting the cap. Which way do you want to have it here? You're either in favour of the cap or you're opposed. If you think the cap is a bad idea, then you're in favour of lifting the cap. But what's convenient here? Is there anything that party believes in? Are there any principles left, except buying rain forests in Costa Rica or imposing a social contract on your brothers and sisters, working men and women, or bringing forward irresponsible commitments to auto insurance? It's incredulous. "We don't want the cap. We don't want to lift the cap." Somehow the problem is going to go away.

Ernie Eves looked at people in Ontario and said, "This is going to be revenue-neutral. Don't worry about it. It's not going to cost anything." This cap has cost the people of Ontario \$800 million.

This is the responsible approach. This is not the end of this. This is the beginning of a commitment to fix this problem in Ontario. It's going to take some time. It's going to take some energy. It's going to take some effort. It's going to take some dedication. This is the start; it is not the end. But certainly we finally have a government in Ontario that is ready to tackle this head-on and get it right.

The Acting Speaker: Further debate?

Mr Toby Barrett (Haldimand-Norfolk-Brant): I wish to speak to the energy bill, Bill 4, in the context of what it means for our future supply, and of course what's related to supply is price.

While rushing to break a promise to keep the electricity price cap in place, Liberals have forgotten to include measures that would ensure the future sustainability of our energy sector. There's no mention of corporate tax incentives, capital tax exemptions or sales tax rebates. I mention this because also not mentioned in this bill—it was mentioned in the throne speech—is the Liberal promise to phase out coal-fired electricity generation by the year 2007.

Quite recently, this evening, the member for Halton mentioned that shutting down coal plants would be a huge mistake. I concur. Given the fact that the Liberal electricity rate hike does nothing to ensure that new generation will be brought on-line, and given that a coal phaseout would require new generation replacement, I'll focus most of my comments on future supply and the Liberal plan to turn out the lights on coal-fired generation.

We're all well aware that there are smog problems in Ontario; however, the issue of air pollution requires more thought than simply rushing to pull the plug on coal-fired

power plants like Nanticoke. There are other issues to consider. The United States, as we all know, has about 200 coal-fired plants emitting into our common airshed. These US plants account for over 50% of the smog in the province, and it's closer to 90% down in the Windsor area. Ontario's electricity generation accounts for 7% of this problem.

Ontario's coal-fired plants supply more than a quarter of our electricity. Contrast that to some of our neighbouring states upwind from Ontario: Illinois, Indiana and Ohio for example, rely on coal for 80% of their power. I ask you to contrast these states that use coal for 80% of their power needs to the province of Ontario.

Rushing to close coal-fired stations is not the answer to our energy needs. Coupled with ongoing technological advancements with regard to reducing emissions, we know that coal is abundant, coal is affordable. Globally, the supply of coal is somewhere in the range of 1,000 years, and there are some significant benefits that I wish to describe tonight.

2030

We cannot ignore the fact that, as petroleum geologist for the Calgary oil industry, Andrew Miall, told a recent energy symposium, we've tapped virtually all the natural gas reserves on this continent as natural gas consumption continues to rise. He told the Ottawa Citizen, "The problem is that the Canadian public and the government seem to refuse to regard an impending energy shortage as news."

A University of British Columbia professor—this fellow is the director of UBC's school of community and regional planning—added, "This is a cold, dark country for much of the year.... We're burning more and finding less," indicating that "production may have peaked already." He went on to say, "The lead time for new energy technologies to make a significant contribution is 20 to 40 years."

We also hear from the chief executive of Bruce Power, Duncan Hawthorne, that all our nuclear generating units in Ontario will reach the end of their normal operating lives by somewhere around 2018. He also said that any plan to build a new nuclear plant would have to be implemented immediately to be ready in time for this looming energy crunch. That's an energy crunch that would crunch us all in the wake of any thought of a coal-fired phase-out by 2007. I will mention we have heard of no plans from this government to start up a new nuclear generating facility.

Natural gas may have reached its peak. There is evidence of dwindling supplies of natural gas. Our nuclear plants are aging. Current facilities are expected to have a lifespan of perhaps another 15 years. As I mentioned, there as a 1,000-year supply of coal.

Other alternatives: I'm an advocate of wind power. For the last two years I've been working with a company that has plans for a wind farm in my riding on Lake Erie. But we can't put all our eggs in that basket, obviously, unless we want to see further dramatic price increases in the cost of electricity for the people we serve.

In a recent report in the Kitchener-Waterloo Record, George Burrett is quoted, "Electricity produced by wind generators"—granted—"an increasingly important new source all across northern Europe, will cost more than the early six cents a kilowatt hour...."

Despite this information, the OPG Nanticoke plant continues to be scapegoated by this government, and for those pointing fingers with respect to emission concerns, I propose that many people are seeing part of the picture. Time and time again, in the past government, our former ministers and our Premier were called upon for reasons as to why Nanticoke should continue to power our province. Just this year, former Energy Minister John Baird was clear in pointing out a number of significant advances toward cleaner energy at Nanticoke. In response to questioning from the opposition, then Minister Baird pointed out that we generate 24% of our electricity in Ontario using coal—demonstrably less than that produced at the time of both the Liberal and NDP jurisdictions. Baird also mentioned that we're also spending more than a quarter of a billion dollars on pollution abatement technology at both Nanticoke and Lambton—investments the previous governments failed to make.

I'd like to quote then Premier Ernie Eves earlier this year: "First of all, you'll know that 68% of the power generated in the province of Ontario comes from generation sources that do not produce greenhouse gases. And we have in place procedures that result in 80% reduction in nitrous oxide pollution on the units with SCRs...at Lambton and Nanticoke."

I will remind the members opposite that the Ontario government has spent \$250 million in the construction of SCRs. These are the selective catalytic reduction units. These units have been created or installed at both the Lambton and the Nanticoke coal plants. Once these units are fully operational, emissions between the two plants will be dropping by 12,000 tonnes of nitrous oxide. That's the equivalent of taking 600,000 cars off the roads.

I think we all agree that diversity in supply is essential for stability. I do remind you that compared to North American reserves of other energy sources, coal is by far not only our most abundant but our cheapest fossil fuel.

Dalton McGuinty's plan to rush in and shut down coal-fired plants by 2007 is not only unrealistic, it's clearly very costly. We've seen figures—and this was a year ago—ranging from \$6 billion to \$9.5 billion to shut down coal. A plant the size and value of Nanticoke—and 600 of my friends and neighbours work in that particular plant—does deserve a closer look. Take a look at what additional improvements could be made to achieve some of the necessary reductions in emissions in the years ahead.

During our first day back at Queen's Park last spring, then-Premier Eves wasted little time in coming to the defence of Nanticoke during question period: "Nobody is in favour of dirty air. Everybody's in favour of cleaning up the environment, but you have to have a responsible, thoughtful plan when you go about doing it."

"First of all, you'll know that 68% of the power generated in the province of Ontario comes from generation sources that do not produce greenhouse gases. We have a plan, of course, to eliminate the coal-powered plant at Lakeview by 2005. We have turned down sales of two coal-powered facilities at Thunder Bay and Atikokan." Again, the proposed purchaser would not agree to eliminate coal.

We have the SCRs in place, and I put forward the position this evening that there's a lot more at stake with respect to shutting down coal in Ontario.

The Acting Speaker: Questions and comments?

Mr Marchese: Just a few comments to the member from Haldimand-Norfolk-Brant. He spoke to the issue of future supply and price. I've just got a couple of problems I want to share with you.

First, on the issue of future supply, in eight years you guys didn't build any new power generation—nothing. I've got a problem with that, and the people of Ontario have a problem with that. How you could talk about future generation of power when you folks did nothing is tough.

Secondly, your way of generating new supply was to sell Hydro One and sell the generation of power. The people of Ontario rejected that as a solution.

Then you talk about price. My assumption is that you would have kept the price cap. I'm not sure how you could argue that keeping the price cap is a good thing if it's costing us 800 million bucks. By the way, someone has to pick up the cost of that, right? It's off the books, but someone's got to pay. As Mike Harris used to say, future generations of children have to pay. How could you justify that you could put on a price cap and keep that debt off the books, and that was OK? I don't understand that.

What I don't understand either is that the Liberals supported you when you wanted to sell off Hydro One and sell off the generation of power. I couldn't understand that either. And I couldn't understand why the Liberals, knowing it was wrong to keep the price cap, agreed with you and said, "Yes, we'll keep it until 2006." It's incomprehensible to me that to New Democrats and to Liberals what you were doing was wrong, yet the Liberals in opposition supported you when you wanted to sell Hydro One and the generation of power and supported you when you wanted to keep the cap.

I say you were wrong and the Liberal plan was wrong as well.

Hon Mr Duncan: I want to commend the member opposite for his speech this evening. I've heard a lot of speeches throughout this debate, and I must say he was on issue and spoke to the bill itself and to the government's energy policy. Of course, he's completely wrong in his opinions, and I don't support him, but he put a compelling case, and when one differs, one must acknowledge when there's a compelling case, unlike the NDP, before the election—the price has to reflect the market. Now they're going to vote against that. Next to

Ernie Eves, I think they've taken more positions on the hydro cap than just about anybody.

2040

The member for Trinity-Spadina is particularly funny, as I reflect. Energy prices went up 40% under the NDP before they capped the price. So they capped the price; they supported that sort of thing back then. Then they bought a Costa Rican rain forest. Now that's a legacy to be proud of, right there. So I commend the member, and although my views differ tremendously from his, he does a good job in representing his constituents. The member for Trinity-Spadina, in response, didn't really address the speech. He chose to address the typical NDP flip-flops on this issue. They want to be all things to all people. They want to keep their head stuck in the sand about hydro issues, or wherever else they want to put it.

All I can say to the member opposite who spoke is, I applaud you for taking a consistent position, for stating it well, for stating it consistently. I can't, however, applaud your record in government when you did nothing to create more supply. In fact, you had policies that did nothing but hinder the creation of supply. But compared to the flip-flopping of the NDP and the member from Trinity-Spadina on this issue, your remarks were remarkably cogent and consistent.

Mr Jerry J. Ouellette (Oshawa): Mr Speaker, it's nice to see you in the Chair. First of all, I'd like to make some comments with regard to the member from Haldimand-Norfolk-Brant, but I'd also like to address a couple of issues as mentioned by the Minister of Energy as well as the member for Trinity-Spadina.

First of all, there were a number of initiatives—and it's good to see the Minister of Natural Resources in the House—that were undertaken by the previous government, which included wind power mapping. There are a number of companies out there that are currently in the process of finding locations out, and the Ministry of Natural Resources is currently engaged in wind power mapping for the province of Ontario. What that means is that they have the ability to identify sites where wind power generation is going to be very economical and very beneficial. I know that those benefits should be seen about two years from now.

Also, I know the member from Trinity-Spadina mentioned that there was no new development, but if you spoke with the member who is sitting directly behind him, you would find out that Iroquois Falls, for example, just did a \$50-million upgrade of their generation power, so that they can contribute substantially more along the line as well.

Not only that, but I know that in the Ministry of Natural Resources there are over 600 dams that are currently under the control of the Ministry of Natural Resources. One of the policies put in place by the previous government for those dams and any retrofits or upgrades that were made available there was to ensure that the potential for low-flow development be made available on those sites. The Minister of Energy probably wouldn't be aware of that, because the two ministries

don't always talk to each other. But I know that that potential in development for those 600 dams, or a number of those dams, is certainly there.

Also, it was mentioned in the alternative fuels committee that Alberta and the US Energy Commission did a study that indicated that the gas usage in North America will peak at about 2015. At that time, the demand will outweigh the supply. Currently, the two new lines that are planned to come down from the Arctic will only meet those demands by 2015. Quite frankly, after that time, the gas demands are going to far exceed that and we won't be able to supply it, although there is a lot of new technology coming on with sea ice that is going to be able to extend, or expand, or extract gas so we can utilize it.

Mr Prue: It's a pleasure to stand and comment on the speech made by the member for Haldimand-Norfolk-Brant. Just a couple of comments on that. He spent a lot of his time talking in defence of coal-fired generation. I think we all need to just stand back here for a moment and think about the defence of coal-fired generation. I know that this government was elected on a platform of getting rid of coal and replacing it with alternate energy sources by the year 2007. I'm not sure it can be done, but I wish you well in doing that, because I don't believe that coal should ever, in any of its guises, be looked at as a panacea for energy. Quite frankly, we know that both the medical officer of health for the province and the medical officer of health for Toronto have come to the same conclusion, that about 2,000 people a year are dying from the air quality in Ontario, in large part, although not exclusively, from the coal-fired generation plants. The coal that burns is dirty. It may be economical, but it is causing problems with our old people, and particularly with young people. It needs to be phased out. It is not the panacea and it is not the answer.

The previous government did literally nothing to look for new sources. You can watch what is happening literally all over the world. You can look at what's happening in Germany, where they are shutting down their nuclear plants. They shut one down today. You can look to Denmark, which is a leader in wind turbines. They produced more in wind turbines this year alone than we have in North America—a little, tiny country like Denmark, that is actually making it work.

When I listen to this speaker—he's looking to the past. I would commend him for talking to the issue, but I would think that the real issue that we need to put our minds to is, how do we produce this electricity in the future, and do so in a clean way?

Mr Barrett: I wish to respond to the member for Trinity-Spadina. I will point out that Hydro One and OPG are still publicly owned. We didn't sell them. Secondly, I stand by my promise to my constituents to cap the price of electricity at 4.3 cents per kilowatt hour. That was a commitment that was implemented November 11 of last year. I spent three days knocking on doors after that, and people were very, very thankful. They do look

to us in this House to come up with some long-term sustainability solutions.

I thank the member for Windsor-St Clair for his compliments and his accolades and, in a sense, his flattering comparisons: comparing me to the member for Trinity-Spadina—I won't go any further on that one.

The member for Oshawa knows the north; he knows the MNR file. This concept of wind power mapping—we know the competence of MNR, their involvement in issues, a myriad of issues, around the 600 or so water-course dams across the province of Ontario. That source of electricity is rife with problems as well, if this government is looking to building more dams. I mention one issue, fish migration, as something that has been influenced in a very negative way over the last 200 years of building dams in Ontario that will continue to be hampered in a very serious way if we continue to dam rivers and streams.

The member for Beaches-East York—of course we're all concerned about air quality and health. I want to stress the importance of bringing new generation on supply, but I also reiterate my position that we have plants and equipment, and a lot more can be done to clean it up.

The Acting Speaker: Further debate?

Mr Prue: The debate here tonight—and I'm going to try to stay entirely on the issue—is lifting the cap of 4.3 cents. How much does it cost for us to produce that electricity? Probably about one cent more than that. So, probably somewhere around 5.3 cents.

The issue for me isn't so much that you are taking the cap off and putting a new elevated cap on. That's not the issue. The issue for me, in part, and the reason that you're seeing opposition from New Democratic Party members, is because you said you wouldn't do it. It's not what you're doing; it's because, with the greatest of respect, you went out to the electorate and you said one thing, you said everything that's fancy in here, knowing full well that what you were saying could not be delivered upon. Of course it is impossible for you to continue to sell electricity at 4.3 cents when it costs around 5.3 cents to produce. And of course something has to be done. But saying one thing to the electorate before the election and doing something else immediately after leaves a bad taste in many peoples' mouths. That is what the opposition over here is for. Not because—

Mr John Milloy (Kitchener Centre): For public auto insurance?

2050

Mr Prue: I wasn't around for public auto insurance.

Interjections.

Mr Prue: I'm sure you're all experts here, you brand new members who have been here a week. Yes, I'm sure you're all experts. The reality today is that what you are putting forward is that you are going to increase the cost to 4.7 cents on the first 750 kilowatt hours and thereafter 5.5 cents for those who use more power than 750.

The average homes use 750, 800, 900, depending on where you live, depending on the circumstances, and depending in large part whether you have other alterna-

tive sources of energy. In some places in this province, people have very little opportunity to get natural gas; it simply is not piped in. Coal transportation for heating is no longer viable. Oil is sometimes problematic. So occasionally you have people who, through no fault of their own, simply based on where they live, are required to have electric heat. We all know that is expensive and we all know the difficulties that this increase in price is going to cause to those people.

Consumers also know that in raising the rate, the 4.3 cents going up to 4.7, or 5.5 cents after that, that is only a small part of the bill. In fact, an equal, or nearly equal, amount comes from the other nine charges that one can find on an electricity bill. I know that the consumers out there, some of whom may be watching tonight, and certainly all of you as consumers in this province, when you get your electricity bill you will see that the 4.3 cents, as currently capped, accounts usually for only around half of your bill. There are nine other charges. Those charges include, but are not limited to, the transmission of the electricity across the grid. They include, but are not limited to, debt repayment. They include, but are not limited to, what it costs to produce in the various venues across this province.

The one that always gets me the most is the cost simply for being a customer. You are charged simply for being a customer. I'm unaware of any other commodity, any other product, any other service that is sold in this province where you are charged simply for being a customer. I know that if you go down to the corner store, they don't charge you a dollar when you walk in for having been a customer; they charge you for the product that you buy. If you choose not to buy anything and browse and walk out of the store, there is no charge. But in electricity matters, you are charged simply for being a customer. You will see that the users, particularly people who don't use a lot of electricity or who use it only in certain key months of the year, end up paying even when they use no electricity at all.

The two that come most to mind are the people who are lucky and fortunate enough to own a summer home or a cottage. In the winter or in the fall or around Thanksgiving, they leave. They turn off the switch and they know they're not coming back until the spring. But what they've been surprised to find out in the last couple of years, with this new pricing scheme and all these alternate charges, is that they continue to be charged for electricity even though the switch has been turned off. So when you come back to your cottage in the spring and there hasn't been a soul inside of it for six months, you still get an electricity bill anyway.

I will tell you that this is what we are continuing to see and why some New Democrats are not supportive of the bill. Because what it allows, within the body of the bill, is that these charges remain in effect, and in fact some of the nine charges actually increase.

We also have a similar problem for snowbirds and people who flee this province and this country in winter-time. They go to sunnier climes, where it's just a little bit

warmer. They too can turn off the electricity to make sure it is reduced to nothing, or near nothing, and when they come back from Florida, nicely tanned and looking and feeling fit, they will find as well, that even though they did not use the electricity, the other nine costs will continue to escalate because of this bill and because of what the previous government did.

If you took all these charges together, if you only paid for the electricity and you were honest about all the other charges, you would charge about 9.4 cents, because that is the reality of what it costs for the transmission, for being a customer, for the distribution, for the debt, and for everything else; it's about 9.4 cents.

What you are doing, in raising the rates to 4.7 cents and thereafter to 5.5, is going to add about \$20 a month to the average consumer in Ontario. That's \$20 that many of them will have a very hard time paying for and realizing—people who are on fixed incomes, people who are tenants, people who live in subsidized housing, people who live on the margins.

The electricity distributors under this bill are going to get a bit of a sop. They are going to get about \$100 million a year in extra fees. They're also looking for and will probably get a \$650-million one-time fee for deregulation charges that they have already borne.

We know from looking at this bill and the reality of the electricity market today that there are a great many other hiddens on the horizon, hiddens that are not referred to in this bill: the costs that are likely to go up for the local distributors; the costs that are likely necessary for the new transmission lines that are required in this province; the costs for Pickering, the \$4 billion that have been announced; and the cost of retrofitting or changing or shutting down the coal-fired generation plants. All of those are costs that are not going to be within the reality of the new cap of 4.7 to 5.5 cents per kilowatt hour.

I'd like to speak about how this new bill is going to affect tenants. More than half of the people of the city of Toronto and probably about a third of the people who live in province of Ontario are tenants. They rent their apartments, and usually within most of those apartments the costs of energy and the costs of electricity are part of the rent. We all know what happened under the Tenant Protection Act in the previous government. We all know that when natural gas prices spiked, tenants were taken by their landlords to the rent review tribunal and had their rents increased by the same amount. In reality, the landlord did not have to pay anything because natural gas went up; the tenants paid because natural gas went up. Even though it was the landlord's business, it was the tenants who bore the costs.

Now we have electricity. We know that electricity is likely, on average, to rise about \$20 for the average person. I would put to you, Minister, that we can probably expect, unless you change the Tenant Protection Act, that tenants are going to see an increase in their rent of about \$20 a month in order that the landlords do not have to pay the extra costs of the electricity themselves. There were no phase-ins, there were no caps when this hap-

pened with natural gas, and we can expect exactly the same with electricity. There is no incentive on the landlords to put in energy-efficient appliances or do anything else to retrofit, because they can merely pass the costs on to their tenants.

There is also a problem that is not dealt with in this legislation which is problematic, and that is, what is going to happen to the cities, towns and social housing that pay these costs and have no way of recouping those costs from the tenants who live there because of their poverty and because of the circumstances they find themselves in? All in all, this is very problematic, and I would ask the minister to rework this bill.

The Acting Speaker: Questions and comments?

Mr Levac: I appreciate the opportunity to talk on this bill. I will commend the member from Beaches-East York. He said he was going to talk about the bill, he was going to talk about the issue. He did, and I compliment him for doing that. He brings up some points that I think are valid in his riding and many ridings across the province.

My riding has talked to me on several occasions and indicated to me—I think a little bit of history is important here. Our municipality decided 10 years ago that they were going to start on a plan to eliminate debt on their books. They did that. Congratulations to the city council, to the many councils that it took to get to that point. They were debt-free. When the previous bill came in about this cap, guess what happened? A \$1-million debt to the city on Brantford Hydro. That's unbelievable. How far and how long were we going to try to sustain that if we didn't start to deal with the real issue?

We've got to be honest with ourselves in this place, as well as out there. We cannot sustain to keep putting debts on our municipalities that kept their utilities. It was \$1 million in Brantford alone. Can you imagine what that debt would be, multiplied across the province of Ontario? Those municipalities would have been hit with debts they could not afford to keep, if we did not start paying for that. And yet, the way the previous legislation was written, they were going to be forced to sign a resolution that it was their fault. It was reprehensible that the government would put that kind of legislation in place. So are we being honest? Absolutely. We're being honest that people need to pay for what they are using.

What was really interesting about this bill—and I commend the Minister of Energy—was the fact he understood that there are people who need to have a price that is not that high. We have people who can't afford those jumps and spikes in the market. He did the right thing; he made the adjustments accordingly. He's going to reward conservation, which we need desperately in this province. California did it in one year; we can do it in one year.

Applause.

2100

Mr Dunlop: I hope that applause is for me.

I'm pleased to rise again tonight to speak to the comments from the member for Beaches-East York, who

usually brings some good points to the debate here in this Legislature.

There are really two key points here. We'll see; time will tell with this piece of legislation. I'm certainly not going to be supporting the vote or second reading. Our concern is simply that this legislation will cause a number of our small businesses, agriculture operations and even some of our larger industrial and commercial operators to have some very difficult times with the lifting of the cap.

We were all asked about this during the recent election campaign, and of course I'm quite confident that we wouldn't have gone back on our word. I believe strongly that the cap would have stayed in place until 2006. That's what we believe. We believe in trying our best to keep our word on these certain issues.

What's at stake here is the future of the province, and I hope the economy of Ontario does well. I don't want to see things go bad as a result of this. Let's hope that this isn't a mistake. However, at this time I believe that there hasn't been enough evidence to prove that we're not making a mistake here by having the government introduce this legislation and support second reading.

Thank you for this opportunity, and I look forward to further comments.

Mr Marchese: I want to congratulate the member for Beaches-East York for reminding us about what this bill will do to tenants and how they're going to be whacked by increases they will not be able to afford.

I have no doubt that the Liberal promise made by the government, "Government that Works for You," is going to bring in rent control as they promised. They will be taken care of Michael, so don't you worry.

I want to stay on topic and say to the Liberals, whose platform was "Government that Works for You," that before they were in power they said things that I'm sure they regret having said. Some of them have spoken about how it takes a strong leader to break a promise. Conversely, he must have been a very weak leader when he couldn't keep that promise, poor man. In the old days, he would have waved this magic wand and said, "We can do it. We can keep the price cap on until 2006." He did. He had that wand. It's in here. It's not what I said; it's in here, in the Liberal government platform, "Government that Works for You." They believed they could keep the rate cap until 2006. It takes a strong leader to be able to break a promise, and they did. He's a strong man. Now they have recapped the cap.

In this bill, there is nothing that speaks to things that we said in our platform, that talks about Efficiency Ontario; that talks about enforcing building retrofit standards; that talks about working with local hydro commissions to lend money to pay for measures that would permanently reduce your home, school or workplace energy; nothing that talks about using current materials and technologies that would reduce our energy bills. This bill is not about conservation; it is about increasing the cost for electricity, and that is it, nothing more.

Mr Kuldip Kular (Bramalea-Gore-Malton-Springdale): As we are debating this energy bill, as you know, the previous government endorsed competitive pricing for electricity. They changed their mind and they finally put a cap on the electricity price. That has cost Ontario taxpayers about \$800 million a year.

When the party to which the member from Beaches-East York belongs was in power, the hydro rates went up by 40%. Their government built no new supply and never said they were going to lower the prices of electricity.

Our government's energy bill is the only one which has a plan to have energy conservation and many savings plans for Ontarians. Our energy bill is talking about replacing the coal-fired plants because the coal-fired plants pollute our environment.

As a physician, I know a polluted environment causes a lot of asthma. Asthma is the most common disease which, in children, causes hospital admissions. Our energy bill is going to help Ontarians save money.

The Acting Speaker: Response, member from Beaches-East York.

Mr Prue: I would like to thank those who commented: the government House leader from the riding of Brant, the member from Simcoe North, the member from Trinity-Spadina and the member from Bramalea-Gore-Malton-Springdale. You each had something unique to offer, a different perspective on my speech, and I'm glad that all of you were listening—so you know when they actually spoke about something I had to say.

Member from Brant, you're absolutely right. What is happening with the small independent hydro units like Brant Hydro—you were absolutely right in that they had become virtually debt-free and have suddenly found themselves, with the dictates of the previous government, now \$1 million in debt and need to get out from under that. But I have to say, with respect, I'm not sure where this bill is going to accommodate that. It is a noble gesture and one that I'm glad you raised.

On the second one, the member from Simcoe North talked about small business, and I would agree wholeheartedly with him that there is nothing in this bill that actually addresses the needs of small business, because small business has been paying the upper rate all along and will continue to pay the upper rate. This is a bill that is simply for homeowners and for mostly single-family residents.

The member from Trinity-Spadina talked about tenants and he talked also about reducing consumption. In terms of tenants, there is nothing in this bill that is going to protect them from price spikes. As long as the Tenant Protection Act remains in effect from the previous government, these costs can be turned right over to the tenants, who are virtually powerless, in spite of how much electricity they may or may not use.

Last but not least, the member from Bramalea-Gore-Malton-Springdale talked about the NDP not having built any supply, but I want to tell him, had the NDP spent billions of dollars to build supply in those years, the howls would have been even more.

The Acting Speaker: Further debate? Does the minister have a reply?

Hon Mr Duncan: I'll just be a moment. I thank all the members for their contribution to this debate. I want to note that all the members who wanted to speak on this bill have been able to speak, including all members of the NDP caucus, in spite of their protestations that this was time allocation. I want to acknowledge the contribution of the official opposition. I'm sorry to see that they're dead wrong on this. They continue to live by their views that they expressed when they were in government, but now we go to committee for two days of committee hearings, public and clause-by-clause—unusual to say the least—and third reading debate, which is important.

I want the record to show that the debate collapsed. All members who wished to speak, spoke. All the NDP members who wished to speak, spoke—I believe their entire caucus—in spite of their protestations that this was time allocation. This is an important bill. I will be joining the committee tomorrow morning in their deliberations. I look forward to participating with all members. I look forward to third reading debate, something that hasn't happened a lot here in the last few years, but most of all, this bill is the first step to a realistic energy policy that will ensure fair, reliable prices for a stable and adequate supply of energy for our children and our grandchildren.

The Acting Speaker: Pursuant to the order of the House dated December 4, 2003, I'm now required to put the question.

Mr Duncan has moved second reading of Bill 4, An Act to amend the Ontario Energy Board Act, 1998 with respect to electricity pricing. Is it the pleasure of the House that the motion carry?

All those in favour of the motion will please say "aye."

All those opposed to the motion will please say "nay."

In my opinion, the ayes have it.

Call in the members. It will be a 10-minute bell.

The division bells rang from 2111 to 2121.

The Acting Speaker: All those in favour of the motion will please rise.

Ayes

| | | |
|------------------------|---------------------|--------------------|
| Agostino, Dominic | Duncan, Dwight | Oraziotti, David |
| Arthurs, Wayne | Flynn, Kevin Daniel | Parsons, Ernie |
| Bartolucci, Rick | Gerretsen, John | Peters, Steve |
| Bentley, Christopher | Gravelle, Michael | Qaadri, Shafiq |
| Berardinetti, Lorenzo | Hoy, Pat | Ramal, Khalil |
| Brown, Michael A. | Jeffrey, Linda | Ramsay, David |
| Brownell, Jim | Kennedy, Gerard | Rinaldi, Lou |
| Cansfield, Donna H. | Kular, Kuldip | Ruprecht, Tony |
| Caplan, David | Leal, Jeff | Sandals, Liz |
| Chambers, Mary Anne V. | Levac, Dave | Smith, Monique |
| Cordiano, Joseph | Matthews, Deborah | Smitherman, George |
| Craiton, Kim | Mauro, Bill | Van Bommel, Maria |
| Crozier, Bruce | McMeekin, Ted | Watson, Jim |
| Di Cocco, Caroline | McNeely, Phil | Wilkinson, John |
| Dombrowsky, Leona | Milloy, John | Wynne, Kathleen O. |
| Duguid, Brad | Mitchell, Carol | Zimmer, David |

The Acting Speaker: All those opposed to the motion will please rise.

Nays

| | | |
|-------------------|---------------------|-----------------|
| Barrett, Toby | Martiniuk, Gerry | Prue, Michael |
| Dunlop, Garfield | Munro, Julia | Yakabuski, John |
| Marchese, Rosario | Ouellette, Jerry J. | |

Deputy Clerk (Ms Deborah Deller): The ayes are 48; the nays are 8.

The Acting Speaker: I declare the motion carried.

Pursuant to the order of the House dated December 4, 2003, this bill stands referred to the standing committee on justice and social policy.

Hon Mr Duncan: Mr Speaker, I move adjournment of the House.

The Acting Speaker: Is it the pleasure of the House that the motion carry? Carried.

This House stands adjourned until 1:30 pm tomorrow.

The House adjourned at 2124.

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Khalil Ramal, Tony Ruprecht, Tony C.Wong
Clerk / Greffier: Trevor Day

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