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**Wednesday 20 October 2004**

**Mercredi 20 octobre 2004**

Speaker  
Honourable Alvin Curling

Président  
L'honorable Alvin Curling

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LEGISLATIVE ASSEMBLY  
OF ONTARIO

Wednesday 20 October 2004

ASSEMBLÉE LÉGISLATIVE  
DE L'ONTARIO

Mercredi 20 octobre 2004

*The House met at 1845.*

ORDERS OF THE DAY

ELECTRICITY  
RESTRUCTURING ACT, 2004

LOI DE 2004 SUR LA RESTRUCTURATION  
DU SECTEUR DE L'ÉLECTRICITÉ

Resuming the debate adjourned on October 19, 2004, on the motion for second reading of Bill 100, An Act to amend the Electricity Act, 1998 and the Ontario Energy Board Act, 1998 and to make consequential amendments to other Acts / *Projet de loi 100, Loi modifiant la Loi de 1998 sur l'électricité, la Loi de 1998 sur la Commission de l'énergie de l'Ontario et apportant des modifications corrélatives à d'autres lois.*

**The Acting Speaker (Mr Ted Arnott):** When we last debated Bill 100, the member for Kitchener-Waterloo had the floor. I recognize the member for Haldimand-Norfolk-Brant.

**Mr Toby Barrett (Haldimand-Norfolk-Brant):** I wish to ask for unanimous consent to defer the time remaining for the member for Kitchener-Waterloo from last night to a future second reading debate on Bill 100.

**The Acting Speaker:** The member for Kitchener-Waterloo had spoken for approximately five minutes. The request is for unanimous consent to allow her to defer her remaining time. Is there unanimous consent to allow for that? Agreed.

In rotation, we now turn to the New Democrats and I recognize the member for Toronto-Danforth.

**Hon Greg Sorbara (Minister of Finance):** I'm glad I stayed.

**Ms Marilyn Churley (Toronto-Danforth):** Thank you. I don't want any heckling, OK? I have important things to say here.

First of all, let me say that I'm not going to spend a lot of my time tonight going into all the details of why New Democrats are vehemently opposed to this bill and will fight it every step of the way. I know my leader Howard Hampton—this is also his portfolio—has laid out very clearly the problems we have with this bill, and my colleagues to follow me will be clearly articulating those views tonight.

What I want to spend my time doing, because I don't have sufficient time in the daily sittings here, is to talk

about something that means a great deal to me, and that is renewable energy, conservation and efficiency.

**Hon Mr Sorbara:** You're one of the city experts on it.

**Ms Churley:** I used to be one of the city experts. I can see what kind of night this is going to be, Mr Speaker, unless you control—well, he's not a pit bull exactly—the finance minister over there.

When I was at city hall, back in 1988 I ran as an environmentalist and an energy conservationist and was very instrumental in starting the energy conservation office at city hall, and the atmospheric fund, which is now famous.

**Hon Mr Sorbara:** That's why you should be supporting this bill

**Ms Churley:** That's why I'm not supporting this bill. I still have a very keen interest, and have throughout my political career and before. I've been following with great interest the program the Liberals put forward. Of course, I notice their latest conservation program seems to be about grow-ops or whatever they call them.

**Interjection:** Marijuana.

**Ms Churley:** Marijuana—saving energy from shutting those places down.

**Ms Shelley Martel (Nickel Belt):** What is Monte smoking?

**Ms Churley:** Yes, what is Monte smoking? But really, I want to talk about the problems with the Liberal government's so-called plan for efficiency and conservation.

We have learned a lot in the last few years, and we particularly learn from countries like Germany. I'm sure the Minister of Energy, whom I'm very pleased to see here tonight, is very well aware of the recent conference that was held here in Toronto. His own parliamentary assistant was there, as was I. Kathleen Wynne, the member from Don Valley, and others were there and it was a very good conference. I attended part of it.

One of the most interesting aspects of the conference was listening to a parliamentarian from Germany. His name is Dr Hermann Scheer. I'm not absolutely sure if I've got the pronunciation.

**Hon Mr Sorbara:** Spell it out then.

**Ms Churley:** I'll tell you later. I think it's Scheer.

He was extremely and highly critical of the Liberals' RFP process, the process to bring renewable energy into the grid. He said it won't work. He was very clear about that, that it will not work, that only the biggest can win. What we mean by "only the biggest" in this case is the

big gas plants, the nuclear plants. Smaller renewable energy projects cannot compete. The whole process is rigged for the traditional, non-renewable power plants, which is really too bad.

**1850**

**Hon Mr Sorbara:** I thought we were going to get a speech of substance here.

**Ms Churley:** Believe me, this is of substance because if we don't change our thinking now and move away, not just from coal plants, but gas, all of the non-renewable energy, nuclear, we are in big trouble. What he said was that the cultural barrier is stalling renewable energy. I found this, and it's half a quote anyway. He said, "There's no law that forbids wrong thinking, ie fossil fuels and nuclear."

What he talked about very clearly was what they did in Germany. It was a whole different process from the one this government is proposing, and that's the RFP process. It doesn't work. He said it very clearly. They tried it there. It's been tried in Germany, Spain, and I think Japan and other countries and it hasn't worked. It's rigged for the big, traditional, non-renewable energy companies, those with lots of bucks and deep pockets that are well established within the system.

Today, as well, I attended a press conference put on by the David Suzuki Foundation. They came out with a report called Smart Generation: Powering Ontario with Renewable Energy. There weren't too many people at that press conference. I'm going to tell you quickly what happened. They called me to book the studio for them. I said, "Well, it's cabinet day." Dr Suzuki flew in for this press conference. He believes it's that important. "Nine o'clock to 9:30, all the press will be up there waiting to scrum the cabinet ministers, so have it later, because it's important that this be attended by the press, that the story get out there." They were all prepared. Dr Suzuki was here, downstairs having a coffee, and I heard the cabinet meeting had been changed to 10:45.

**Hon Mr Sorbara:** No, it was never changed.

**Ms Churley:** Well, we weren't informed, I can tell you that, so I could inform them properly.

Then what happened was that I went and talked to the press about what was happening and they said they would try to make it by 11:15. Dr Suzuki and his colleagues hung around and held it later. I must say some—and I thank them—of the media did show up and there will be, I hope, some very positive press from this because it's an excellent report. I'm sure the minister is going to read it and I'm sure he's going to view the recommendations quite seriously because, as Dr Scheer said, there is a cultural barrier. We have to turn the way we do things, the way we think, on its head. That's a hard thing to do because we, as a society, have done things in a certain way for many years, going way back, and to start turning it around is really hard to do.

But this government is not doing it, and it has the opportunity to do so. One of the advantages the Liberal government has that governments before didn't have is that it's now been tried; it's been done. We're not talking

about reinventing the wheel here. Germany, France, Japan and other countries—I think Germany did it because they knew they were phasing out nuclear power forever. They didn't want to start getting back into spending lots of money on infrastructure for gas plants and other non-renewables, so they said, "OK, we've got to get serious about this. We have to find a new way of doing things."

What the David Suzuki Foundation panel spoke about today—and I should also mention that Dr Mark Winfield and others at the Pembina Institute recently put out an excellent report; I believe the Sierra Club as well. So there are some great minds thinking about this problem we have in moving ourselves away from non-renewables to renewables. It's really instructive to look at their reports, talking about the problems with the Liberal plan and then looking at the recommendations that could turn this ship around.

I want to spend a little time talking about what Dr Suzuki and the panel discussed with us today and some of the recommendations, because one of the things that was made very clear—very, very clear—I think there were two things that came out of this for me today.

**Hon Mr Sorbara:** How clear was it?

**Ms Churley:** It was very clear, actually. People seem to think the energy portfolio is so complicated that they can't understand it. In many ways, it is, but it can also be very simple in many ways, because if we're going to change the way we do things, we have to change the system, the approach to how we bring power on to the grid.

What was very clear—and I must say that Dr Suzuki and the panel were very polite. They were very careful and in a couple of instances even congratulated the government for some of the things they were doing. I'm sure you have that in your notes, Minister. But I'm going to tell you some of the things they weren't so positive about.

Of course, I talked to some of the media after and said, "Well, I'm not going to be so polite. I'm going to read between the lines here, and I'm going to tell you what they were really saying in there today." What they were saying today is that the system the government has put in place for renewables will not work, and what they're doing for the nuclear industry here is what they need to be doing for renewables. I'm sure the finance minister is not following this really intensely, so I'll explain this to him now. These two things—

**Hon Mr Sorbara:** I'm rapt.

**Ms Churley:** I'm sure you are, and you should be, because you have power, Minister. You can make this happen. You can tell the energy minister what to do here, I'm sure.

They have done this in Germany and other countries, and it has worked. That's what makes this so credible. It's not pie in the sky, it's not a wish list; it has happened, and it has worked.

Two things are needed: a fixed price over a fixed period of time for the renewables. What they've done is

give that, once again, to the tired, old nuclear industry, which has huge cost overruns and humongous problems with what we do with the waste, as you know. It's a huge problem. It pollutes our water. It's just not going to work. But you gave it to them. You're in bed with those guys already, with them and the gas producers and all these people, which means you've already gone down that road. I'm saying that it's not too late. Come back. Get out of bed now. Get out, get dressed and come over to the right side of things, because what you're doing is wrong. You go down that road and it's very difficult to get back and do the right things to get the renewables in. You need the fixed price over a fixed period of time for the renewables. You've done this for nuclear. Why not do it for the renewables?

The second piece, of course, is access to the grid, which they don't have. This is a key—

**Hon Mr Sorbara:** Who doesn't have it?

**Ms Churley:** The renewables.

**Hon Mr Sorbara:** Of course they have it.

**Ms Churley:** No, they don't. See, the finance minister doesn't know and nor should he. He doesn't have to know the details of everything.

**Hon Mr Sorbara:** How can they have access to the grid and not have renewables?

**Ms Churley:** They don't have access to the grid. There are all kinds of complications. They are being frozen out. The RFP process is set up in such way—it's not just me saying this. It's David Suzuki, it's the Pembina Institute, it's the Sierra Club and many others. A lot of the small, independent producers are saying they can't get in. They're being frozen out by this system.

The other thing that was made really clear in terms of reshaping the way we think about how we do things is that conservation, efficiency and renewables must be integrated into one strategy, not separated out. What I believe Dr Suzuki said today, or one of the panellists, is that people are ready, the renewables are ready, but the government is not acting. That may have been my comment at the end, but that's what they meant: People are ready, the renewables are ready, but you are not ready. They said that very clearly today in the press conference. Why do you think they came here and held a press conference on this, for heaven's sake?

*Interjection.*

**Ms Churley:** It's because you're not doing the right thing.

I'm just going to give you some of the details from this report. I want to make sure you understand that if we don't start moving in the right direction here, we are letting down our children and our grandchildren and generations to follow.

I don't know if you saw this article, "Electricity: Lessons from Germany."

**Hon Mr Sorbara:** Of course.

**Ms Churley:** We've got to pound them over the head with it. They just don't get it. But there's an opportunity now to move forward, and that's what I'm talking about here tonight.

Some of the things that David Suzuki and the panel talked about today—I'm just going to read you the first paragraph. "Currently, Ontario is largely powered by polluting coal-fired power plants and aging nuclear plants. It is an unsustainable combination—coal plants contribute to southern Ontario's poor air quality and summer smog, while nuclear plants are plagued with unresolved safety issues, chronic underperformance" problems, "massive cost overruns" and unresolved toxic waste issues. These centralized plants are part of an "expensive and increasingly fragile transmission grid. Getting out of this crisis is not possible with the same type of thinking that led us into it.... It is time for Ontario's priorities to change."

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What this report does and what these recommendations lay out—it's a blueprint, or maybe we could call it a green print, for the government to follow in terms of turning this ship around.

They talk about some of the problems with conventional sources of energy.

Another good quote from today—if I can find it here—which I quite like, applies to the government of the day. It was something like, "Governments don't look at the world as it really is." I thought that was pretty good, actually.

**Hon Mr Sorbara:** That's startling. Is that original?

**Ms Churley:** No. It wasn't mine; it was somebody else's. But I thought it was good.

Everything is put into silos. So you separate out all these pieces instead of looking at—it's all one airshed. We all breathe the same air. It's all one piece. Health is related to energy. Governments, it's true, separate all these pieces out. But they're connected.

The problem that they talked about with conventional sources of energy—and they say this very clearly. Again, I thought the way they put it was pretty polite: "There is a risk that Ontario will favour large, expensive and centralized nuclear and natural gas plants to solve its electricity woes. Boosting nuclear power and natural gas and continuing to rely on coal power are not sustainable solutions."

We know you're going to back down on shutting down the coal plants. We know that; that has been said. You had a Liberal conference where it was one of the questions that they talked about: Under what conditions—if I can paraphrase this—could the Liberal government back off from closing down the coal plants by 2007? It was a question on the paper at a Liberal convention.

Nuclear: Nuclear power is extremely expensive and is highly subsidized. Let me go into that for a minute. When we talk about the price of electricity and the costs of generating electricity, we don't even think about or talk about the externalities of those costs. By externalities, in this case I mean the health costs; the costs of dealing with the waste, for instance, from the nuclear power. Those costs are all externalized. They're not included in the price that we pay for power. Of course,

when you get into looking at the real costs of producing these kinds of non-renewables, it would be much, much higher than it actually is now. But we separate those out. Of course, bringing in renewables would solve that problem.

May I say as well, as has been pointed out by the experts from Germany, that it has been a huge boost to the economy in Germany and other countries that have moved forward. It has created thousands and thousands of jobs, and it has boosted the economy.

I have been told that the second-largest user of wind power in Germany is the steel industry. It has created huge jobs there.

They also go into natural gas. This is a hobbyhorse of mine because—and the minister knows this—there's a proposal to build a huge new gas plant in my riding of Toronto-Danforth, in Riverdale. At first, they proposed that it would be cogeneration. That was the proposal. It was made very clear to the community. I don't have time now to go into all of the details of some of the problems with that proposal, but right now the biggest problem, among many others, is that it's not going to be a cogeneration plant. Can you believe that, in this day and age? They're going to build a huge, new, humongous, big gas plant, and it's not even going to be cogeneration.

For the benefit of those of you, like the finance minister, who may not know what that means, it means you produce the steam—

**Hon Mr Sorbara:** Oh, my goodness. Why the insults? What have I done to you?

**Ms Churley:** The steam actually also is used to produce energy and heat buildings.

**Hon Mr Sorbara:** Oh, really? Is that for my benefit?

**Ms Churley:** Yes, exactly; for your benefit.

What they say here is that natural gas may be cleaner than coal and can play a limited role in local generation, but it still has significant climate change and human health impacts. Natural gas production contributes to wilderness and habitat destruction. "A decrease in natural gas reserves has meant a doubling of its price—with wild price fluctuations" which makes it much less attractive as an energy source.

I'm not even going to go into the problems with coal. I know some of the Tories advocate clean coal. There's no such thing, so that's not the way to go either. It leaves us no option. We have to turn the ship around and start doing all the things recommended in these reports that will lead us down the right road to renewable energy.

I'm going to say again that it has been made very clear that the government's proposal and the RFP process that is in place now is not going to do that. You can stand up and bluster all you want about, "Oh, we're bringing in more than you," and you'll say, "You shut some down," and blah, blah, blah. The reality is, you're the government now, we're in an energy crisis here that is only going to get worse, and you're spending megabucks on new nuclear plants, megabucks on new gas plants, when we have a blueprint in front of us, a green print for what to do.

I have used this opportunity to talk a little bit. I hope to have another opportunity at another time to talk in more detail about what is wrong with the government's plan to bring renewable energy into this province.

I will say, coming back to some of the more substantive parts of the bill, that I sat on the committee, I made a number of amendments, and the government rejected every single one of them. They were amendments recommended by communities and by the environmental and conservation movement, and every single one of them was turned down. We could have looked at this and perhaps supported it, but every single amendment that we put forward, that would have improved it, was turned down. So we are vehemently opposed to this bill. We will make sure that we'll do everything we can to defeat you on this bill.

**The Acting Speaker:** Questions and comments?

**Hon Dwight Duncan (Minister of Energy, Government House Leader):** I'm pleased to respond to the member from Riverdale. First of all, she claimed it was a rigged RFP, while there were literally dozens of organizations that have submitted more than 4,000 megawatts of proposals. We'll be announcing the successful bidders next month.

Second, she spoke of the Suzuki Foundation. I've read the report. I'd been in contact with them prior to its writing. They are very complimentary about this government's initiatives and efforts and urge us on.

*Applause.*

**Hon Mr Duncan:** That's right.

In response to the recommendations, the essence of the recommendations is that we can achieve higher targets than the government set. What I said to that today was that I hope we can. That is going to be our goal. We are moving toward the undertakings we made. We'll achieve those, and my view is that hopefully we can move beyond those undertakings.

With respect to Germany and Denmark, do you know what? The member forgets that they incinerate in Germany. I suppose she doesn't support incineration either. But she may want to check her facts on that. I would remind the member that the Germans have had a 20-year policy on this stuff. No government in Ontario, until this one last year, embarked on this.

With respect to the coal-fired situation, that member is trying to slow down the closure of the Lakeview coal plant. That's her objective. She wants to keep Lakeview open—

**Mr John R. Baird (Nepean-Carleton):** Will you resign if you don't close the coal-fired plant?

**Hon Mr Duncan:** No.

That means she wants to keep Lakeview open and not provide power for downtown Toronto. She has publicly said that.

The final point I wanted to make is with respect to small operations—

*Interjection.*

**Hon Mr Duncan:** Yes, we're providing for net metering and distributed generation. We've already begun the regulatory changes, so we're addressing that.

It is important to also note that if the policies of the member's party were in place, nobody would have been on the RFP, because all the work in renewables is going on in the private sector, but she opposes any kind of private involvement—what a shame. We're going to make sure there are renewables in Ontario.

**Mr Barrett:** I think the member for Toronto-Danforth used the term “paraphrased.” What we're seeing is perhaps a Liberal change of heart with respect to the 2007 deadline on the closure of coal-fired plants, and I think a lot of people would concur with that kind of direction. The real world does kick in.

It may be of interest to the member from Toronto-Danforth that I've had a number of meetings with the Power Workers' Union on this issue, as have a number of my Ontario PC colleagues. The Power Workers, as the member would know, represent a large majority of Ontario's electrical employees and have done so for well over 60 years. They are out there running the plants. They know of what they speak.

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In my meetings, I've always left with a very clear message from the Power Workers' Union. The 2007 coal-fired deadline doesn't make any sense, and it is clearly not doable. The member may know of their brief. It's titled *The Role of Coal*. The union is advocating and continues to advocate the rapid commercialization of new clean coal technology, a term that we've heard very recently in the federal election to the south, a proposal that is reinforced by the George Bush platform. When the Power Workers' Union talks about clean coal technology, they talk about SCRs being installed on our plants in Ontario. As we would all know, SCRs are the selective catalytic reduction units which take out most of the nitrous oxides in the emissions.

**Mr Peter Kormos (Niagara Centre):** I was pleased to be able to hear the member from Toronto-Danforth, Ms Churley, speak on behalf of herself and her constituents in Toronto-Danforth, certainly on behalf of this caucus, with passion for an environmentally progressive future for this province, with passion for an environmentally friendly hydroelectric system: a hydroelectric system that's public; a hydroelectric system that sells electricity at cost; a hydroelectric system that is a regulated one so that it is the servant of the people of this province, of working women and men, of their parents and of their kids here in Ontario, rather than the mechanism for a profit by profiteers and profit-makers, not just Ontarian and Canadian but, inevitably, increasingly from beyond our borders.

I tell you that this party, the New Democratic Party, has been clear, consistent and unequivocal in its support and advocacy for public, regulated hydroelectricity, electricity at cost. Electricity is far too important to the daily lives of every Ontarian for it to be allowed to slip into the hands of profit-makers and profiteers.

Howard Hampton, author of the book *Public Power*, a fascinating and incredibly thorough analysis of the history of electricity and, indeed, the NDP's proposal and

commitment for its future, has been clear and unequivocal in his position on hydro. Marilyn Churley, as our environment critic has spoken, as will every other New Democrat in this caucus, against this bill which will lead us down the ruinous path of privatized hydro.

Shortly, in an hour or so, we'll be hearing from Shelley Martel, the member from Nickel Belt, who will lend a very unique northern perspective. So Shelley Martel in around 45 minutes' time—I encourage people—

**The Acting Speaker:** One last question and comment.

**Hon Mr Sorbara:** I always enjoy the speeches from my friend from Toronto-Danforth, but tonight I must tell you that I was extremely disappointed in the way in which she skewed even the various commentaries that have been made on Bill 100, which is going to be the bill that represents the foundation for the creation of a strong new energy system in this province.

One could have quoted the Ontario Sustainable Energy Association, which says that Bill 100 represents a good start, and certainly from the perspective of renewables. She could have quoted the Canadian Association for Renewable Energies, which said much the same thing, and finally, the Canadian Wind Energy Association.

The things that she did not put on the record are even more informative. My friend the Minister of Energy mentioned her opposition to electric capacity which will replace Lakeview, which is, as we all know, spewing fumes into the air. She's opposing the taking out of service of that facility. The other thing she didn't mention is her record and her government's record while the NDP was in power, and particularly given that she was talking about renewable energy. The legacy of that government is to have cancelled an agreement with the province of Manitoba for hydro power, waterfall power that would have supplied this province for decades and decades and decades. She and her government cancelled. Instead, what did they do? They spent millions of dollars buying rainforest in Costa Rica, the strangest bit of energy policy that this province has ever seen. So I invite her, when she responds or wraps up her speech, to at least put that other part of the story on the record.

**The Acting Speaker:** Member for Toronto Danforth, you have two minutes to reply.

**Ms Churley:** My, my, I wish I had more than two minutes to respond to all that drivel.

First of all, let me read to you what Dalton McGuinty said when they were in opposition, and when we were in government, about that power agreement with Manitoba: “We now know that if we cancel the deal today, its going to cost us” \$2 million, “but if we wait until the end of the environmental assessment hearing, it's going to cost us over \$200 million.” That's not the right quote, is it? Find it for me while I go on. It's not the good one I really wanted to read because he said something—

In other words, Dalton McGuinty was urging our government at the time to not go there. I must tell you—and I'll have more time later to talk about this—that there are

some real concerns about where the proposal is to build these power lines, through aboriginal, through First Nations land, endangered species—so that's another subject I'm going to get into. But Dalton said, "Cancel it." He said, "Don't wait." But I want to speak directly to the minister here. Shame on him. I wonder if he's going to resign if those plants aren't closed down until 2007.

But let me say to him, on this PEC plant that's been proposed for my riding, they are going ahead without a full environmental assessment. You know what? One of the conditions that we had asked for, which they turned down, was connecting the closure of the Lakeview coal plant to the building of this plant. Shame on them. Why do you think they wouldn't connect it? We asked for a number of conditions to be attached to that, and one was, "OK, if you're going to reduce pollution in the airshed, guarantee that you will close that plant down." And guess what? They refused to make that a condition to the building of this plant. What does that tell you about their commitment to shutting down the coal plants in this province?

**The Acting Speaker:** Further debate?

**Ms Kathleen O. Wynne (Don Valley West):** I am very pleased to rise to speak to Bill 100 tonight. I had the privilege of travelling with the committee on social policy. I'll confess that, as a new member of the Legislature, I didn't have a lot of background in this sector, but I have to say that having gone through that experience and listened to people around the province, and having become familiar with some of the literature, we in this government are being very ambitious in this sector, as in other sectors at this point. We're being very ambitious and bold in our attempt to put in place a structure that will act in the best public interest. I think that what's important for people to understand is that there has been an obscuring of the debate on this issue. The presentation of this debate as a public-private issue really obscures the issue.

What citizens want to know is whether we can ensure a stable and sufficient supply of electricity. They want to know how we can be more environmentally friendly. They want to know how we can ensure the safety of our supply. And they want to know how we can do that in an affordable way. I'm going to talk about this for a few minutes and I'm going to share my time, Mr Speaker, with my colleague from Mississauga West.

What we're dealing with here is an issue of fundamental importance, and even with aggressive conservation measures, we're going to have to renew 80% of the electricity supply in Ontario by 2020. So if we don't have a framework in place, if we don't have a structure in place that can plan for that and that can deal with the issues of what is the mix going to be, what should the mix of supply be, where is it going to come from, how is it going to be distributed, we are going to be in serious trouble.

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We have to take a balanced approach that's going to recognize that Ontarians must pay the full cost of power.

That's not an approach that's been taken by previous governments. In fact, previous governments have shied away from a practical and reasonable approach here, and have instead moved back and forth and have confused the issue and confused the public on how to produce a stable market, a stable supply. We've got to have price stability. We've got to have a structure in place that encourages innovation, and that's one of the pieces of Bill 100 that I think is the most important. We're putting a structure in place that's going to allow for a plan to be developed that will encourage innovation, and we've already moved to that in terms of the RFPs that have been put out, the call to the public, to the business sector to come up with suggestions for how to get more renewables into the mix.

We have to encourage that mix of sources. We have to instill a culture of conservation. If there's one piece of this bill that there was universal agreement on, it is that the move toward conservation is critical. We must do that. We must instill in our children. We must change the habits of those of us who don't have a consciousness of conservation, and we've got to do that in a very systematic way.

So I think it's important that we recognize that we're going to have to act on a number of fronts. We're going to have to look at the curriculum in our schools. We're going to have to look at the practices in our building, our construction sector. We're going to have to look at all of our practices that are wasteful of electricity, that do not recognize that we're dealing with a fragile commodity. We're dealing with a commodity that's not endless, that's not easy to replace and that we have wasted over the generations.

What this bill does is, it sets out a framework for putting a plan in place to deal with those issues. It doesn't obscure the debate by focusing on the public-private. We're committed to not selling off public assets, but we're also committed to generating enough electricity that we can leave that legacy for our children. If we don't do that, then all the other things that we're trying to do in government are moot, because we've got to have a reliable supply of electricity.

When I was first elected last year, if anyone had asked me what the most important file in government was, I think, with my background, I would have right away said public education. But if someone asked me that question today, I think that I would have to say that a reliable affordable supply of electricity is fundamental. Without that, we can't turn on the lights in our schools.

So I am committed to supporting this bill, and I think that Minister Duncan and the people who have worked on it have a great deal to be proud of.

**The Acting Speaker:** Continuing on in this rotation, I recognize the member from Mississauga West.

**Mr Bob Delaney (Mississauga West):** If there is any doubt of the need for restructuring in our energy sector, one need only ask, what if we did nothing? Where was the status quo taking us? Without restructuring Ontario's electricity pricing mechanism, the status quo was adding more debt than the special levy in Ontarians' monthly



electricity bills was taking off. Without restructuring, Ontario's risk of another blackout, such as the one of August 2003, was severe. Without restructuring, there would be a certain power shortage. Regardless of how conservation measures were applied, our grid would continue to age without maintenance, and interest charges might be the fastest-growing part of our electricity bills.

If we choose to restructure—and we do—then our goals are as simple as they are intuitive. Ontario needs electrical power that's reliable and sustainable. We need our electrical power at stable and competitive rates. Ontarians recognize there is no power without cost and no power without risk. The previous government acted hastily and without anything like a long-term plan. They froze electricity rates below the true cost of production of the power. In addition to the \$5.6-billion legacy deficit that they abandoned when Ontarians chased them out of office a year ago, they also left an extra \$1 billion of electricity pricing debt from a price cap set too low.

Sensible restructuring means that the Ontario Energy Board will approve an annual rate plan for residential and other low-volume consumers. This rate will be based on reasonable forecasts of regulated contract and market supply of electricity. This rate, periodically set, will ensure that prices to consumers are stable, fair and predictable and that the mechanism to set those prices is fair and open. It also ensures that power wasters won't be adding debt charges to the bills of power conservers.

A gentleman visited my constituency office shortly after the old rate cap was lifted. He brought in his first bill under the new rate. We analyzed it for him and found that, as a result of the removal of the rate cap, his electricity bill went up by a total of 20 cents in the first month under the new rate of 4.7 cents per kilowatt hour.

Another thing that Ontarians know is that machines don't last forever. Our large-scale generating stations were built from the 1960s through the 1980s, and they use 1960s and 1970s technology. Imagine driving your 1973 car day after day for more than 30 years. Even with the most careful of maintenance, the day-in, day-out, year-after-year wear and tear causes the best machinery to wear out.

Ontario needs to refurbish, rebuild, replace or conserve more than 25,000 megawatts of electrical capacity by the year 2020 just to stay even at present rates of consumption. Let's put that another way. That's the equivalent of six generating stations the size of Pickering, and that includes the phasing out of Ontario's coal-generating capacity.

We know that electricity restructuring is more than power generation. To avoid the runaway costs and debts of the past, a sound strategy also demands resolute leadership, clear accountability and careful planning. Our aim is to balance the demand for electricity with its supply. That mandate means the creation of a new Ontario Power Authority to ensure an adequate and long-term supply. No institution in Ontario currently has that mandate.

Wind energy, as some discuss, is more than just hot air. A member opposite mentions the German experience. I hope those who view wind as a panacea remember that for every 1,000 megawatts of installed generating capacity, experience has shown that some 900 megawatts of backup capacity are needed. Why do you need backup for renewable energy? Because in a cold, dark country like Canada, the sun doesn't shine for half the year and, in Ontario, it's just not very windy.

Ontario is finally moving in the right direction. We're moving forward. We're moving into an area in which our electricity generation will be diversified and augmented by aggressive energy conservation and efficiency measures. Ontarians can look forward to reliable, affordable and safe power, so that Ontario's true asset, its educated and hard-working people, will have the energy they need to build a new era of prosperity for all of us.

**The Acting Speaker:** Questions and comments?

**Ms Martel:** I know that the two members just didn't have time to make reference to either the Manitoba deal or conservation, as did their House leader during his two-minute responses, so let me just put on the record those matters right now in case I don't have a chance to do that during my own presentation.

The House leader talked about Manitoba and us cancelling that deal. It's probably worth putting on the record again what Dalton McGuinty had to say about this deal. This is from Hansard, April 30, 1992, and I'm quoting, because this was a question to our Minister of Energy. Dalton McGuinty said, "Does the minister continue to support the Manitoba purchase?"

"We now know it's cheaper to produce this electricity in the province than it is to buy it from Manitoba.... We now know that if we cancel the deal today, it's going to cost us \$82 million, but if we wait until the end of the environmental assessment hearing, it's going to cost us over \$200 million."

He then went on to encourage us to cancel the deal as quickly as humanly possible. The mistake that Bob Rae made was actually listening to Dalton McGuinty, who urged him to cancel this deal. Isn't it regrettable that we took Dalton's advice and did that, because that was the position of the Liberal Party in April 1992.

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Let me just deal with conservation measures. Here is what Dalton McGuinty said on June 2, 1992, about our government's conservation measures: "we ... are struggling under the weight of a recession, the government's policy of conservation is going to cause rates to go up, at least initially." So there was the lack of Dalton's support for our conservation measures.

**Ms Judy Marsales (Hamilton West):** I rise proudly to speak on behalf of Hamilton and, in this instance, west Hamilton, where Hamilton Hydro has located one of the first cogeneration situations in Sir John A. Macdonald high school. Hamilton has been a leader in cogeneration, and I rise proudly to support this bill which demonstrates the leadership that's necessary in the electricity field and in the energy field.

Hamilton Hydro, of course, has been working with other organizations, such as Hamilton Health Sciences, to develop a better cogeneration plant for our hospitals in Hamilton. In fact, Art Leitch, who is chairman of the Ontario Energy Association, as well as the CEO for Hamilton Hydro, said that he was very encouraged by the government's balanced approach to this bill. "The minister's pledge to break down current barriers will lead to a greater role," he said, "in energy conservation, distributed generation and alternative energy in closing the gap between Ontario's supply and demand for power."

We as Ontarians have not been strong in the conservation mode, and this bill is going to set an example of the leadership that we as a province must demonstrate in the conservation of energy for the future generations of this wonderful province. I want to pay particular attention to the leadership demonstrated by Hamilton Hydro in their development of this cogeneration, which I believe is going to be a model for the province. It's going to be a model for other communities that can use this excess heat generation to supply warmth to public buildings in the future.

We applaud the government, and we applaud the minister in his leadership in developing this wonderful bill, Bill 100.

**The Acting Speaker:** Further questions and comments?

**Mr Baird:** Mr Speaker, may I say what a great job you're doing in your role as the assistant Deputy Speaker. We're particularly looking forward to the next few weeks when we'll do the annual rotation of Deputy Speakers that has always happened in the nine years that I have been here. We're looking forward to that. I know the government House leader is looking forward to that as well. That's a common practice here.

I am surprised that none of these members—the government House leader is leaving. I was surprised that in the government House leader's speech he didn't mention—

**The Acting Speaker:** The member for Nepean-Carleton knows you can't make reference to the absence of any other member.

**Mr Baird:** I didn't say he was gone; I said he was leaving. I said he was going to be absent, but he wasn't absent.

I was surprised he didn't make reference to the work that the former Minister of Energy did with respect to Conawapa. If he were to talk to the New Democrat Premier of Manitoba, Gary Doer, if he were to talk to the Minister of Energy or at least the then NDP Minister of Energy, he would acknowledge that it was the former Minister of Energy who really got things going. He should have perhaps mentioned him in his remarks.

I was also surprised that in the speech by the member for Don Valley West she didn't talk about how similar the Liberal energy policy was to the Conservative energy policy. If there were copyright laws on legislation, you guys would be busted. The only difference is they didn't—

**Hon Mr Duncan:** You're voting for it?

**Mr Baird:** Well, let's have a vote. You keep putting up speakers to this bill. We'd love to see us voting on it. You are filibustering your own bill, I say to the Minister of Energy.

**Hon Mr Duncan:** On a point of order, Mr Speaker: In response to the member, I seek unanimous consent to give second and third reading to Bill 100.

**The Acting Speaker:** The minister has sought unanimous consent. Is there unanimous consent to do what he asks? I find that there is not unanimous consent. I'll give you a chance to sum up, member for Nepean-Carleton.

**Mr Baird:** I would also be remiss if I didn't note the presence tonight of the dean of the Legislature and a former Minister of Energy, the member for Lanark-Carleton, who I know has been busy fighting for the Ottawa Hospital and the Queensway-Carleton Hospital. We appreciate that he has come back today. Thank goodness we have at least one other member from Ottawa who is prepared to debate and to stand up and defend the Ottawa Hospital, something we haven't seen from members opposite.

**The Acting Speaker:** One last question and comment.

**Mr Kormos:** Those were such short comments by the two Liberal backbenchers. I'm worried. I want to explain to them that you're permitted 20 minutes when you stand up and take the floor. I know it's not a whole lot of time, but you're permitted 20 minutes to put your views on the record. Your folks who sent you to Queen's Park depend upon your doing that.

**Mr Baird:** They want their money's worth.

**Mr Kormos:** They want their money's worth, as Mr Baird says. The folks you represent want to know why you're supporting a particular piece of legislation or why you're opposing a particular piece of legislation or maybe why you simply don't give a tinker's dam about a particular piece of legislation. Maybe, if you're a government backbencher, you want to stand up and explain how it is that you're really not sure what the legislation says or does, but you're doing what the whip tells you to do, which is part of the function, of course, of backbenchers. Mind you, that's not very gratifying to the folks who send you to Queen's Park, because they think you read all this stuff. They think you read the bills and analyze them. They're hard pressed to believe that any more, in view of the paucity of the comments made.

It's a pattern that's repeating itself. It's of some great concern to me. Perhaps the Chair would intervene and use its innate, inherent power here to tune up some of these people and explain to them that a debate consists of more than simply saying, "And me too." "Me too" does not constitute meaningful participation in a debate. Puckering up to the cabinet does not exactly accelerate—notwithstanding the unimaginable interest that the member thinks they're pursuing—does not exactly advance careers.

**The Acting Speaker:** That concludes questions and comments. I'll now turn to the member for Don Valley West. You have two minutes to reply.

**Ms Wynne:** I want to thank the members for Nickel Belt, Hamilton West, Nepean-Carleton and Niagara Centre for their comments.

It's a little surprising, when I listen to the member for Nickel Belt and, in fact, the member for Niagara Centre, that the third party would not be supportive of many aspects of this bill. It's interesting, because Jack Gibbons from the Ontario Clean Air Alliance, in his presentation to the committee, said, "The Ontario Clean Air Alliance is a very strong supporter of the creation of the Ontario Power Authority and of most elements of Bill 100. We believe that the proposed Ontario Power Authority is a pragmatic option to help phase out our dirty coal-fired power plants"—which I assume you're supportive of—"and to keep the lights on in the province.... Premier McGuinty and Energy Minister Duncan have repeatedly stated that they want to move Ontario from a culture of waste to a culture of conservation."

That, I would think, is something the third party would be interested in supporting.

Now, the member for Nepean-Carleton talks about this legislation being exactly the same as theirs. Well, I would challenge him. One of the major differences is that we are championing conservation, that we recognize that the culture of waste that exists in this province, which they did not attack, which they did not acknowledge, which they did not move on, is something that we are being aggressive about.

Finally, the member for Niagara Centre attacks us for not speaking to the bill long enough. To paraphrase Mark Twain, if I had longer, I'd have written a shorter speech. If you know what you're going to say, you can say it in fewer words.

I just wanted to put on the record that I believe that after 8:15 the rotations go down to 10 minutes. So in fact the times are shortened.

I thank everyone for their comments and look forward to further debate.

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**The Acting Speaker:** Further debate?

**Mr Barrett:** I am thankful for the opportunity to speak for 20 minutes. It was a point that was made by the member from Niagara Centre. I have attempted to do a bit of research on this, and I hope I have some information to pass on in the next 20 minutes. I take this fairly seriously.

I would like to begin by quoting what I feel are some of the pertinent sections of Bill 100, the Electricity Restructuring Act. These are sections that apply to the future supply of sustainable energy, reliable electricity and affordable power. My worry is that much of this bill, in my view, threatens affordable electricity. It poses a threat, potentially, for reliable power and may well impede any direction or aspirations for sustainable electricity in the province of Ontario.

There are a number of bullet points in the "Purpose" section of the bill. According to Bill 100, the purposes of the Electricity Restructuring Act include—bear with me, Speaker, I do wish to quote.

"(a) to ensure the adequacy, safety, sustainability and reliability of electricity supply in Ontario through responsible planning and management of electricity resources, supply and demand ...

"(d) to promote the use of cleaner energy sources and technologies, including alternative energy sources and renewable energy sources, in a manner consistent with the policies of the government of Ontario ...

"(f) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

"(g) to promote economic efficiency and sustainability in the generation, transmission, distribution and sale of electricity."

I bring these points to your attention because I submit that much of what I see in this bill runs counter to the Liberals' key energy platform plank, that being the abandonment of the most dependable and the most abundant form of energy that exists in North America today. I would assume everyone here knows the commodity I'm referring to. I speak, of course, to this government's blind rush toward closing down coal-fired energy by 2007.

This commitment is referenced in part II.2 of the act, listed as "Minister's directives." I quote, in part: "The minister may issue, and the OPA shall follow in preparing its integrated power system plans, directives that have been approved by the Lieutenant Governor in Council that set out the goals to be achieved during the period to be covered by an integrated power system plan, including goals relating to," and I refer to paragraph (c) "the phasing out of coal-fired generation facilities."

I submit that closure of coal-fired generation runs counter to what the government claims to be the purpose of this act, which I just quoted, in part. To begin with, closing down coal will not ensure the adequacy of power in Ontario, the safety, the sustainability and most certainly the reliability of electricity supply in this great province. I submit there is a grave potential that it will do exactly the opposite.

Currently, Ontario's coal-fired plants provide more than a quarter of our electricity, so if the Liberals carry through with what I consider their ill-conceived, bull-headed, if you will, coal-closure plans by 2007, we have a little over two years in which to replace 25% of our energy supply, something that I feel, quite frankly, is nearly impossible, given the massive dollars, massive amount of time and work that would be required to build up a new energy supply. Therefore, sustainability and reliability of energy supply cannot, with any certainty, be ensured if the coal promise is acted on and, as I submit, will be jeopardized.

I ask that the present government not overlook the fact that coal is both affordable and abundant. We have about a 1,000-year supply globally and about a 300-year supply in North America. There are significant benefits, just to look at the supply side, and again, much of this legislation is concerned with supply.

We can't ignore the fact, and I'll make reference to a petroleum geologist and consultant to the Calgary oil

industry, Andrew Miall, who told an energy symposium recently, and I use his words, "We've tapped virtually all of the natural gas reserves in this continent." Consumption of natural gas continues to rise. He told an Ottawa Citizen reporter, "The problem is that the Canadian public and the government seem to refuse to regard an impending energy shortage as news."

I'll make reference to a statement by a University of British Columbia professor and director of UBC's School of Community and Regional Planning. He indicated, "This is a cold, dark country for much of the year.... We're burning more and finding less,"—he's referring to natural gas—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." Speaker, 20 to 40 years. The Liberal coal promise gives us a little over two years.

We've also heard from a Bruce Power chief executive officer, Duncan Hawthorne, who says that all our nuclear generating units in Ontario will have reached the end of their normal operating lives by the year 2018. He went on to say that any plan to build a nuclear plant would have to be implemented immediately to be ready on time for the looming energy crunch that I referred to previously. That's an energy crunch that will crunch all of us, essentially, in the wake of any immediate coal-fired phase out implementation program.

Interesting facts: Natural gas, just to summarize, may have already reached its peak. There is evidence that supplies are dwindling. Our nuclear power is aging quickly. Current facilities have about 15 years left. Coal: As I said, we've got about 1,000 years of coal.

These concerns are borne out by the final report of the government's Electricity Conservation and Supply Task Force. I bring your attention to the task force concern that, "The potential economic impact of a major increase in dependence on natural gas-fired generation is magnified by the ongoing volatility in gas prices." Secondly, there is a "growing concern about the availability of affordable natural gas supplies over the next 10 years." Again, supply is related to price. There is no question there is an economic argument to be made, and this bill, in its purposes, certainly makes reference to the economic argument and the fact that we are responsible to the consumers of power in Ontario.

So I caution this government. If they are looking to natural gas to be the major player to replace coal, they'd better keep on looking, because supply is not reliable; it is dwindling. It is not sustainable, and as demand increases, and the supply decreases, as we're told, obviously that has an impact on price. Price will skyrocket, obliterating this government's commitment "to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service."

Just over the last five years, gas prices have seen steep increases of something in the order of 200%. Again, much of the increase is due to the lack of known gas reserves. According to the US Department of Energy, of North America's proven hydrocarbon reserves, coal represents 85% and natural gas 10%.

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Concerns over the cost and the supply of natural gas versus coal are well-documented in a brief by the Power Workers' Union. I made reference to this brief earlier this evening. The Power Workers' Union is an organization very familiar in a hands-on way with the ins and outs of power production. I made reference earlier to their brief. It is titled *The Role of Coal*. The union advocates a rapid commercialization of new, clean coal technology and supports the installation and the continued installation on our coal-powered electricity generating stations of SCRs. SCR stands for the selective catalytic reduction units. They take out most of the nitrous oxide in emissions. The union's argument also covers cost and supply as well as the environmental concerns, as I recently mentioned, of nitrogen.

To begin with, the union maintains that coal-fired electricity costs are about half that of natural gas. Again, if natural gas is being touted as the most likely fuel candidate for any conversion of a coal plant, its price will necessarily increase as the demand increases. In fact, the Power Workers' Union maintains that a wholesale switch to natural gas from coal would drive up electricity costs, not only for consumers but for businesses, something in the order of 15%. Here again is that relationship between price, supply and demand, which we can assume will remain constant. If we look at the last eight years of Conservative rule, we can assume that the demand will continue to grow based on the economic growth that resulted over the last eight years of our government.

In regard to the promotion of, and I quote from the bill, "the use of cleaner energy sources and technologies," there is a potential here for clean coal in achieving this goal. This is a potential that, it seems to me, is being completely ignored by the Liberal rush to close down the coal plants. What's also being ignored is a clear recommendation from the energy supply task force for the consideration of clean coal technologies.

The task force report stated, "The government should quickly develop generation, transmission and conservation alternatives"—and I put emphasis on this last phrase—"including clean coal technologies."

That's exactly the type of thinking our Ontario PC government promoted with the investment of \$250 million in both the Lambton coal-fired plant and the Nanticoke plant with respect to the selective catalytic reduction units. I have invited the Minister of Energy to come down to Nanticoke in my riding to take a look. I think I extended the invitation seven or eight months ago, and his staff indicated that perhaps he could come down this fall. It's hard to miss. This selective catalytic reduction unit is something like 200 feet high, and it's working. It takes out the nitrous oxide.

Once fully operational, emissions between the two plants—this is both Lambton and Nanticoke—are dropping by 80% on those units to which they have been constructed. If you put the two plants together, it works out to a reduction of about 12,000 tonnes of nitrous oxide. That's the same as taking about 600,000 cars off the road.

I can tell you that investment in clean coal technology and other initiatives, of course, is money well spent. In fact, according to a recent report—this is a local report in my riding covering the Nanticoke Industrial Park; not only OPG, but also the very large and modern Esso refinery and Stelco steel. According to this report, published by the Nanticoke Environmental Committee, cleaner coal technologies and other emission reduction efforts in the Nanticoke area have dropped: first of all, sulphur dioxide levels by 60% since 1984; and, secondly, nitrogen dioxide levels by 50% since 1984. I feel those are significant numbers. That's a good trend, and it bears out the potential of what can be achieved through technology and, in part and more specifically, through the continual striving with respect to cleaning up coal.

I want to point out that this is the kind of forward thinking, if you will, that we're seeing presently in the George Bush campaign during the federal election south of the border.

*Interjections.*

**Mr Barrett:** I haven't even said what it is, and I hear some comments. I couldn't tell whether it was snickering or sniggering. George Bush—

**Mr Kormos:** I'm a Nader guy.

**Mr Barrett:** I think he's running in Ontario too.

He has a platform with respect to clean coal technology. It commits the President of the United States to:

(1) Develop clean-coal technology. President Bush will continue his commitment to provide \$2 billion over 10 years to develop clean coal technologies.

(2) Promote markets for clean coal technology. President Bush has indicated he'll implement a market-based approach—why am I not surprised?—to cutting air pollution that will create nearly \$50 billion in technology and services market for clean coal, rather than forcing a shift to other fuels, to meet the US air standards.

(3) Pursue what is referred to as the FutureGen initiative. George Bush will lead an international public-private partnership to create—get this—the world's first zero-emissions coal-based power plant, producing electricity and hydrogen while capturing carbon dioxide. This is coming from the President of the United States, who did not sign on to Kyoto but has certainly taken on the mantle of an environmentalist and is certainly fulfilling the goals and the main purpose of the Kyoto accord. What a guy.

If this can be done by George Bush and our neighbours to the south—

**Mr Kormos:** This is George W. Bush.

**Mr Barrett:** —it is—perhaps we are putting our heads in the sand, we in this cold, dark country of Canada.

It brings me to the fact that while the President of the United States is committing to future clean coal technology, the current power picture in the States—and I will be critical of what's going on down there, of course. We live downwind from something in the order of 200, by and large, dirty coal-fired plants—cheap coal, accessible coal, high-sulphur coal, that West Virginia coal. That kind of coal that used to be burned at

Nanticoke has now been replaced by low-sulphur western coal. We heard reference earlier this evening from the NDP member for Beaches-Woodbine, who talked of the common airshed. US plants account for over 50% of the smog that comes into the province of Ontario. Again, I join the initiative from disparate groups like those that surround President George Bush, those who work with the Ontario Power Workers' Union to continue to strive and to find a better alternative.

I began by making reference to the purposes of the act. I'm concerned that this bill will jeopardize the adequacy, the sustainability, the reliability of our electricity in the province of Ontario. It obviously ignores the possibility of clean coal as being "a cleaner energy source and technology." I would position that this disregards the interests of consumers, certainly with respect to prices—that's a worry of mine—and with respect to the reliability and quality of service.

If these amendments were made, this proposed legislation would perhaps be a little more truthful, if we could inculcate some of that phraseology in this legislation.

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**The Acting Speaker:** Questions and comments?

**Mr Kormos:** I want to point out to members here, now that was a speech. That was 20 minutes, a pretty compressed period of time, used by the member to articulate, to express, his views on behalf of his constituents about the broader electricity issue and about this bill. It demonstrated an interest in the subject, it demonstrated familiarity with the subject, it demonstrated some independent thinking and research.

Mind you, gosh, you've got the American election happening and you've got rock stars and columnists and PBS television hosts trying to influence the outcome of the American presidential election. I can't wait to get on the Web site, on the Internet, tomorrow morning and call up the Washington Post and see the headline, "George W. Bush Lauded in Provincial Legislature by Opposition Member Toby Barrett." CNN will be keeping his wife and kids awake all night with the camera crews parked outside his house.

As a matter of fact, I was with some friends of his from Delhi, some people from the Hungarian Presbyterian Church down in Welland, who spoke about this member showing up at the Hungarian hall, very impressed with the fact that he wandered right into the kitchen, right to where the source was. I said, "Did you make sure you fed him well? You fed him Hungarian, you fed him Magyar?" They assured me that they did and that Mr Barrett was not only well taken care of, but very gracious. I told them I was pleased that he had been so demonstrative toward the Hungarian community.

But see, that was a speech. That was 20 minutes, not a whole lot of time. We used to be able to speak longer. Mr Sterling remembers that. That was a speech. That's what people expect of you. That's what you're paid the big bucks to do.

I've heard from Mr Barrett in the Conservative caucus; now I'm looking forward to hearing from some of the Liberal backbenchers in the same manner.

**Hon Jim Watson (Minister of Consumer and Business Services):** I just want to commend our Minister of Energy for this forward-looking piece of legislation. I want to quote from Ron Stewart—not the great football player of Rough Rider fame, but the present CEO of Hydro Ottawa. He said, in a letter to the editor to the Ottawa Citizen, April 21, of 2004:

“To set the record straight, Hydro Ottawa fully supports the government’s initiatives to spur on energy conservation in Ontario. Practically speaking, we believe that smart meters make sense as one among many different aspects of the solution in driving forward with energy conservation as a public policy priority. Without a smart-metering approach, neither utilities nor customers would have the tools to monitor their energy consumption—which is a requirement for assisting people in adapting their usage patterns to conserve energy and save money by doing so.” This is Ron Stewart—

*Interjections.*

**The Speaker:** Will the member from Nepean-Carleton please refrain from heckling as loudly as he’s doing? I can’t hear the minister.

**Hon Mr Watson:** I hope I’ll get a few extra seconds, because the junior member from Nepean—we have obviously hit a raw nerve, because he has some explaining to do. Let me quote from a great Nepeanite, Dr Robert Morris, an engineer who said:

“On January 29, then Energy Minister Baird responded to critics who claimed that the cap could drain provincial coffers by as much as \$800 million ... that ‘the cost of fixing Ontario’s electricity price at 4.3 cents per kilowatt hour will not be paid for by the province’s taxpayers.... We’re confident the plan will pay for itself.’”

Obviously, that was not the case. It was over \$1 billion in subsidies. This is why we’re here with Bill 100. Ron Stewart, the president and CEO of Hydro Ottawa is very much supportive of this strategy of energy conservation, and we very much look forward to the opposition seeing the light—because there are lights on now in Ontario—and supporting this legislation.

**Mr Norman W. Sterling (Lanark-Carleton):** It really is laughable that the member from Ottawa West—whatever talks about the integrity of Ottawa Hydro, when all of the board was just recently fired. This is an organization that became the mouthpiece for the Liberal mayor of the city of Ottawa, and anything that comes from Ottawa Hydro can be taken as nothing more than back-patting from a former Liberal MPP in this area. The credibility of that organization is nil in the city of Ottawa; it should be nil here as well.

*Interjections.*

**Mr Sterling:** I want to talk about Mr Barrett’s speech. I watched this Legislature and I watched the people who were listening to this particular speech because it was well-prepared. There were lots of facts in it. Mr Barrett has done his homework on this matter. He brought forward a point of view and backed it up with facts. He talked about reality. He talked about what experts had said. Yet I couldn’t find a Liberal in this Legislature who

was listening to this speech. I looked around at each and every Liberal member, and they were conversing, writing or reading. They were not paying attention to what I consider was an excellent representation of the facts with regard to what the energy situation is in this province. They are disinterested in finding out what the real facts are. You should read Mr Barrett’s speech and learn something about energy in Ontario.

**The Acting Speaker:** There is time for one last question and comment. I ask all members to refrain from heckling during questions and comments, including the Minister of Consumer and Business Services.

**Ms Martel:** I want to commend the member for the comments he made here this evening. He took a lot of time—that was clear—in preparing the remarks. It wasn’t one of those stock speeches that Liberal members get handed to them when they show up in this place and are told to read. It was very clear that he brought with him some of the experiences he had gotten through the committee process and, frankly, a lot of his own work that he has done looking into this issue, so I appreciated what he had to say. I’m not sure I agreed with everything, particularly the reference to George W. Bush, but that’s another matter.

I just want to say to him that probably a truer word was never spoken here this evening. It wasn’t actually spoken by him, it was spoken by his colleague Mr Baird, who is going to speak here this evening, who said the Liberal energy/electricity policy is the same as the Conservatives’. A truer word was never spoken here this evening. That’s exactly the point, and that’s exactly why I was not prepared to give unanimous consent this evening for second and third reading. Why would I do that? I’m totally opposed to this bill. I’m not jumping in bed with the Liberals or the Tories on this energy policy. I’m here to support public power. I’m not here to support private power all the time, which is what Bill 100 is all about. So no, I’m not going to give unanimous consent.

I’m going to speak next, and I’m going to use my 20 minutes. I can assure you that it wasn’t crafted by anyone in NDP research, and you’ll probably see that when you hear me speak. I’m going to use my time, and we’ve got some other people in the building who are quite prepared to speak as well. I just wish the Liberals, because they’re so excited about this bill, so enthusiastic and so supportive, would each get up and use their 20 minutes instead of having to split it between two people, because even two people can’t get up enough get-go to actually use the whole 20 minutes.

So I want to commend the member who used his time tonight. Obviously it wasn’t a stock speech. I’m not sure that I agreed with everything, but thank you for contributing to the process here this evening.

**The Acting Speaker:** The member from Haldimand-Norfolk-Brant has two minutes to reply.

**Mr Barrett:** I have to thank the members opposite. You’re too kind. I will say I find this difficult, and I have excellent staff who dig up some of the data. Thanks to the Power Workers’ Union and thanks to those researchers who work for George W.

The member for Niagara Centre made reference to the Hungarian community in the Delhi area. During Harvest-fest, which is something that occurs at the end of the tobacco season, Reverend Kántor, a former politician in the United States, with the Presbyterian Church, which is one of the main churches for the Hungarian community in Delhi—I had the honour of joining the ladies in the kitchen. It took me nine years. They allowed me to come into the kitchen and sit down and have chicken soup and cabbage rolls. To do that, I spent most of the afternoon serving coleslaw at the hall. That truly was an honour.

*Interjections.*

**Mr Barrett:** I appreciate comments from Liberal members opposite, members who were recently accused of not listening to some of my remarks; I heard reference there. Whether they are seeing the light or not, I do take a very strong position against some of the work being done by the government with respect to electricity and I am concerned that the light we may be seeing is the light at the front of the train engine. I suggest that you hang on to your hats. As far as consumers—in your legislation you make reference to the protection of consumers—I suggest, hang on to your wallets.

**2010**

**The Acting Speaker:** Further debate.

**Ms Martel:** I hope they are all this enthusiastic by the time I finish. Let me start with the quote by Mr Baird that the Liberal energy policy, or Liberal electricity policy, is the same as the Conservatives'. He is absolutely right. Do you know what? Even if I hadn't read the bill, that would have been good enough for me to oppose it, because that is exactly what the policy of the Liberal Party has been, with the flip-flops in between.

I remember, for example, when the Conservatives wanted to look at privatizing the hydro grid, the transmission lines. There was poor Dalton, who was caught on tape, although he denied it. He was caught on tape and had to admit later on that he was there telling the public that was OK; as long as there was a debate in the Legislature about the privatization of the transmission line, that was OK by him and the Liberal Party. But two months later, when it became very clear that the public was not very supportive of privatization of the hydro grid, didn't Mr McGuinty and company do a bit of a flip and a flop? All of a sudden they were opposed to the privatization, to the sell-off of the transmission lines in Ontario. They've been very consistent being on both sides of this private-public power issue.

I don't have my quotes here tonight; I regret that. We have some marvellous quotes by one Mr McGuinty when he was in opposition and one Mr Conway when he was the energy critic, talking about how the Liberal Party oh so supported competition in the electricity marketplace. I remember there was a letter that was issued by the Liberal Party, a fundraising letter to the major power producers in the province and major energy companies. That letter essentially said—it was dated October, I'm going to say 2002; it might be 2001, but I still think it's 2002. It was an invitation to all of them to attend a big

fundraising dinner. The most important quote in that letter was that Dalton and the Ontario Liberal Party have been consistent supporters of deregulated, private hydro in Ontario. It said to send your cheque for—was it \$300? The next year it got even bigger. It said to send your cheque for \$300, and you can attend dinner with Dalton and you can hear all about the Ontario Liberal Party policy of support of private, deregulated electricity in Ontario.

There were a lot of quotes after that by Mr McGuinty and a lot more by Mr Conway. It is important to note that the Liberal Party supported the Conservatives' bill on deregulation and privatization of hydro on second reading. I am not sure what finally changed their mind on third reading. Maybe they read some polls, maybe they got a clear understanding that people weren't so excited about private power all of the time and the cost to Ontario consumers that came with that. Anyway, on third reading, they flopped again or flipped again and went from support on second reading to opposition on third.

What was interesting about that letter I was telling you about, where Dalton McGuinty said he and the Liberal Party had been consistent supporters of deregulated, privatized hydro in Ontario, is that it went out on the very same day that the Conservative government had to bring in their price cap to put a lid on hydro rates that had gone through the roof as a result of market opening. It was so interesting to have the Liberals supportive on second reading of private hydro and then against on third reading and then sending out a letter to all their financial friends asking them for money because they were consistent supporters of private hydro. On the same day the letter went out, there was the Conservative government at the time bringing in the legislation to put a cap on hydro rates, because of course private hydro didn't work in Ontario. It didn't work in Alberta, it didn't work in Britain, it didn't work in any other jurisdiction it was tried in—

**Interjection:** California.

**Ms Martel:** —California in particular. What a disaster that was.

But the Conservatives thought that maybe in Ontario it might work; apparently so did the Tories. There they were, the former government, having to bring in a cap because, contrary to what we had been told, rates didn't go down; they went through the roof. All of us who were members at the time can recall the phone calls we got to our offices starting in June, July, September, after the market opened, from people frantic with their hydro bills—farmers, small businesses, people on social assistance, seniors on fixed incomes. It was so bad that the Conservatives were forced to bring in the price cap, which was clear evidence for me, for one, that the competitive market in electricity didn't work and we would have been better to abandon it at that point and bring back public power, power at cost, than we were to put in an artificial price cap, which just keeps the high price of hydro down for some consumers but through the tax system forces us to continue to subsidize the high

cost of power we are paying to those people putting it into the grid.

But the Liberal policy has been flip and flop and flop and flip. It was interesting that during the last election campaign the Liberals said very clearly that their position on electricity now was that they supported not-for-profit, public generation of new supply. That was their commitment to the Ontario public.

Here we are this evening, dealing with a bill that is completely contrary to that promise—yet another broken Liberal promise. First was the rate cap. You will remember, Speaker, as a candidate in the last election, that your Liberal candidate said very clearly that a Liberal government would continue the Conservative price cap in place until 2006. That was their commitment. I heard that at more than one all-candidates' debate. They were going to keep it in place until 2006.

The first thing that happens—there we are last fall. My goodness, we probably haven't even sat two weeks, and here come the Liberals with another broken promise: "Oh, we can't keep the rate cap in place because it is costing Ontario taxpayers so much money." As if they didn't know we were subsidizing the cost of power before. Of course everyone knew that. There were many articles in the newspaper, in particular in August just before the election, very clearly making the point that Ontario had already at that point—by August 2003—subsidized private power to the tune of about \$800 million, coming out of your pocket and mine to subsidize private power.

So it was a little silly for the Liberals to try to say in this House, even though they did, that they just didn't know how expensive the subsidy was and we just couldn't afford that subsidy any more. But it was OK during the election campaign to make the promise to try to buy people's votes.

There we were last fall. One of the first pieces of legislation was a broken promise by the Liberal government, because of course they weren't keeping the Conservative rate cap in place until 2006. No, the rate cap has gone up, and consumers in Ontario are paying more for electricity as a result. Industrial consumers in Ontario are going to pay a whole lot more once Bill 100 is passed. That is what I want to deal with tonight.

I want to deal with just one presentation that was made to the committee, because I thought it was a most interesting and most important one from the perspective of the community that I represent and many other communities, particularly in northern Ontario, although it obviously has an impact in southern Ontario too. This was a presentation that was made by the Association of Major Power Consumers in Ontario to the legislative committee on Bill 100. They made this presentation on August 12, 2004. There was Mike Kuriychuk from Bowater, Darren MacDonald from Ameristeel and George Blechta from Falconbridge. They were representing the major power users in the province.

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They began their presentation by talking about how important electricity is to Ontario's economy because, of

course, manufacturing is extremely important to Ontario's economy, both in terms of employment and in terms of trade. They said that this "is an industrial economy," and the "energy strategy must include that reality"—emphasis on the word "reality"—"and vision." Jobs in this sector generally pay more than in the service sector or tourism, and that's absolutely true. They said very clearly that Ontario is losing its competitive advantage, and that was a direct reference to the high cost of private power that they are already paying as a result of the Conservative government's opening of the electricity market. So it wasn't New Democrats talking about the high cost of power and Ontario losing its competitive advantage; no, it was the Association of Major Power Consumers in Ontario.

They included a chart, which I know you can't see, Speaker, but if you want to get a copy of it, you'll have a chance to peruse it then. But it's a very interesting chart. The source was the plant costs from Canadian representatives of companies operating in the US and Canada, so a representative looked at power costs for some of their competitors, frankly, in the same industry, but also their own costs as well. Figure 2 said, "Many Ontario plants face significantly higher electricity costs than their US counterparts." That's been one of the so-called benefits, I guess, of private power, that we're now paying more, in terms of the companies in Ontario, than many US counterparts.

The graph is interesting because it shows Manitoba with public power, the lowest-cost jurisdiction with respect to electricity rates. Then into the middle of the graph you've got British Columbia and Quebec, also two other jurisdictions that have public power, power provided at cost. And then we've got Ontario. This is after the opening of the market, after deregulation and privatization. Ontario is up there with Alberta, which also has private deregulated power, New Jersey and Illinois. In fact, Ontario was the fourth highest jurisdiction in terms of electricity costs for many of these major industrial users. I say again, there is one of the very negative consequences of private power. You just have to look at the graph and see where those jurisdictions are that have public power, and see that they are able to offer much lower rates than most other American jurisdictions to their manufacturing sector.

Let me just quickly go through the individual presentations. The first was made by Bowater. Bowater is a significant employer in the province of Ontario. They were speaking generally for the forestry sector. They reminded the committee that "285 Ontario communities depend on the forest sector" and "of those, 70 are moderately to highly dependent," meaning that if those industries go down, there isn't anything else in the community to sustain that community. We know that well in northern Ontario. Most are in northwestern and northeastern Ontario, and there are also many First Nations who are closely related to that employment who could lose their jobs as well, given high power prices. The direct employment in Ontario: 85,000 people in the forestry sector. Indirect: about 175,000. Exports: \$9 billion.



What did they say about power? "Electricity is a significant percentage of the cost of production. Depending on the technology," it "can be greater than 25% of product cost." It's often a cost that is only second to the cost of the raw fibre itself to put through the mill. And they said—not me, but Bowater—very clearly: "In Ontario, electricity costs have already escalated out of control." That's under the private power scheme we already have. Imagine what it's going to be like when electricity generation is all private, all the time, with the high costs associated with that.

They made it very clear that any industry that could have adjusted, could work at peak hours, could look to other sources of electricity, had already done that, and there were not many other options for those who were still continuing to operate. They also made it clear that production is just moving somewhere else, and they talked about two plants in northwestern Ontario and Kenora that have already closed as a result of the private power scheme we have in the province right now.

The next presentation was made by the steel industry, Gerda Ameristeel Corp. They have an operation here in the province of Ontario. Their investment in the province since 1990 is \$313 million. They made it very clear that when they look at electricity costs, Ontario is a very high-cost operation for them because of private power. They said very clearly that they are not able to keep pace with power price increases of 30%, and they think that as a result of the passage of Bill 100, their electricity costs are going to rise between 30% and 50%. They said very clearly to the committee, "That's a signal to us that we don't need to invest in Ontario, that we would be much better to invest somewhere else because those costs are far too high. We're going to go to a jurisdiction that is electricity-friendly, where the costs are far lower."

Thirdly, the mining industry, and the presentation there was made by George Blechta, who is a representative of Falconbridge. This one is quite important to me because, of course, they have about 1,600 workers in Falconbridge in the city of Sudbury. There are another few hundred thousand located as well in Timmins with the operations there. Falconbridge had a total of about 3,000 employees between the two operations in Timmins and Sudbury.

Falconbridge made it very clear to the committee what their operating costs are. Their smelter operating costs, in terms of electricity: 25% to 30% of their overall costs at the smelter. In the mines, it's about 10% to 15% of their overall costs to run their operations. Their average yearly cost for electricity is \$120 million, which is extremely high and extremely important because if there is any fluctuation, that certainly has an impact on their decision to do further development.

They said to the committee that for every \$1 megawatt increase in the year, "Our costs" as a company "are increased by \$2 million." That sets the tone for them in terms of decisions they will make about investment and decisions they will make in terms of development. They made it very clear that this was a significant part of their

operating costs as an operation and, if the bill went through in its current form, they would find it extremely difficult to meet the new, higher power costs that they fully anticipate will come with this bill.

Let me just deal with what they said overall in terms of the anticipated increases in hydro with the bill and the potential job loss, because I thought this was very interesting. Let me repeat again, this is the Association of Major Power Consumers in Ontario, no friends of the NDP, no reason for them to be talking to us about public power, but they clearly have very serious concerns about this bill. They said, "Without mitigation measures these decisions" in the bill "could increase Ontario electricity prices between 30% and 53%." Their 53% projected delivery cost was estimated to occur in 2008.

They said the economic impact would be as follows: "For the Ontario economy, this will mean slower growth (a drop of up to 1.4% in GDP) and lower employment (a loss of up to 140,000 jobs) compared to a scenario without the power price increases." I remind you again, that was the Association of Major Power Consumers in Ontario estimating that, through this bill, we will see hydro rates increase between 30% and 53%, with a loss of up to 140,000 jobs in the steel industry, in the forestry sector and in mining.

That'll have a significant impact in my part of the world, in my community, where our major employers continue to be Falconbridge and Inco—Inco with probably 4,000 people who still work there—a significant impact in Timmins, a significant impact in Sault Ste Marie, a significant impact in every pulp and paper community across northeastern Ontario, and there's a whole lot of them from Thunder Bay to Fort Frances to Dryden to Kenora. I'll bet half of those 140,000 jobs lost would be in northern Ontario alone, between those who work in mining and those who work in forestry. And that is not a consequence that I'm prepared to contemplate, and that's exactly why I am not supporting this bill.

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We did a press conference in Sudbury on September 17 with representatives from the two unions, Mine Mill CAW, represented by Rick Grylls, and John Fera of USWA local 6500. Both of those representatives were very clear that if these were the kinds of costs that Inco and Falconbridge were facing in terms of increased power costs, that would directly impact their negotiations with the company, because the company would come to them and say, "We can't offer something better for the pension, and we can't offer something better in terms of wages and salaries or benefits, because we've got to deal with hydro costs." So it would first have a negative impact in terms of negotiations, and a much more serious impact if those companies or others like them decided to downscale their production or end it entirely because of high hydro costs.

In conclusion: All private all of the time? Well, this bill is going to have very, very significant negative impacts on industry in the province of Ontario: in northeastern Ontario and northwestern Ontario and in those

areas in southern Ontario with a high manufacturing base. We can't afford to lose 140,000 jobs because of high electricity costs.

This bill is wrong. We should be dealing with a bill that brings back public power provided at cost, because that's the only way we're going to retain and increase jobs in the province of Ontario.

**The Acting Speaker:** Questions and comments?

**Mr Wayne Arthurs (Pickering-Ajax-Uxbridge):** I listened intently to the member from Nickel Belt, and I would like to speak to the issue of costs. Whether power is generated publicly or privately, our experience is that costs are increasing, and if you subsidize the costs, the dollars have to be parked somewhere.

We know what's happened over the past number of decades. The debt load is on the backs of the taxpayers. If we continue the same process ad infinitum, although we may be subsidizing the cost to the consumer—the large users or small users—the cost ends up being a debt load on taxpayers that is a burden we can't continue to sustain in the long run.

I haven't heard or seen anywhere, in listening to the minister recently in estimates committee, talk about private hydro all the time, every time. What I've heard is that there are opportunities for a blend in the system, where public power will continue, both our current base load and, on an ongoing basis, an opportunity for innovation in private sector initiatives, an opportunity for cost efficiencies in the private sector and a means of establishing a level of reliability that has been lacking.

I go back in my own limited experience in the municipal sector. I can take us back 10 or 12 years, when I began to see a real decline in our base supply in the operation of Pickering nuclear, as an example. That decline continued throughout the 1990s and into the early part of this particular time frame. I think we need to be looking at options and alternatives for power supply in addition to the sole public supply, but also a blend with private opportunity.

**Mr Barrett:** I also had a great deal of interest in the presentation by the member from Nickel Belt. I listened with great interest to her description of the importance for primary industry in the north, the source of much of our wealth in the province of Ontario, and her concern with not only the supply of power, the supply of energy, the supply of electricity, but with the price. The price is crucial.

She made reference to the thousands of people who work in primary industry in towns like Sudbury and Timmins, people who work in the mining and smelting industry and the forestry industry, working for companies like Inco and Falconbridge—primary industry, much like agriculture in southern Ontario.

In my area, I made reference to Stelco and Esso and their reliance and dependence as well upon the supply of power and their reliance on affordable energy, and there is concern. We share the concern of industry to have an adequate price relationship. Stelco, down in Nanticoke,

has power towers that come directly from the Nanticoke plant about a quarter of a mile away. My concern is that this bill jeopardizes the reliability and sustainability of electricity, in contrast to the intent, in contrast to what it is touted to do. My concern is that there is a disregard for primary industry and the very heavy users of electricity in the province as far as price is concerned.

**Ms Churley:** I'm always interested in speeches by the member for Nickel Belt and always very impressed with her preparation. You will note she has her file with all the little stickies on it.

**Mr Kormos:** That was a speech.

**Ms Churley:** Yes, it was her very own speech, as she pointed out.

She always talks about how government legislation is going to impact her own community. It's important that all the Liberal members who are prepared to vote for this bill understand the huge negative impact it's going to have on jobs in her community, across the north and in the south.

She talked about broken promises, and if I had time I'd talk about a lot more broken Liberal promises. We are concentrating tonight on the hydro rate cap and keeping hydro public.

One of the things I'm sure she would have talked about, if she had time, was the government's pathetic attempt to try to deal with low-income people, whose rates are going through the roof. The government finally came to my riding—I don't think they knew they were going to end up in my riding, and I showed up—to announce they were putting \$2 million into a fund to help low-income families pay their increased hydro bills. What did we find out a few weeks ago? I don't know if you know about this, but those low-income people don't get a penny of that. That measly \$2 million is going straight into the pockets of the providers for rehooking up the energy they cut if low-income people haven't paid their bills. Think about it: You're low-income and they cut off your hydro because you can't afford to pay your bill, and this measly \$2 million goes into the pockets of the providers to go back in and hook it up. That is where that measly \$2 million is going. It's not going to help those people pay their bills to prevent the heat from being cut off in the first place.

**The Acting Speaker:** We have time for one last question or comment.

**Hon Mr Watson:** I found it passing ironic that the member for Lanark-Carleton, in his comments, ranted and raved about Glen Shortliffe, the chair of Hydro. If you recall—I know my friend the municipal affairs minister remembers—it was the Tories who created Glen Shortliffe, and Glen Shortliffe amalgamated against the will of some of those Tory members.

The member for Lanark-Carleton is also a former consumer minister. Let me quote from Joan Huzar, president of the Consumers Council of Canada: "The Consumers Council of Canada applauds energy minister Dwight Duncan's announcement that he intends to bring a measure of sanity to the chaos of Ontario's electricity

marketplace. Establishing a new Ontario Power Authority to oversee Ontario electricity well-being is a splendid idea and we are encouraged by the announcement that the air we all breathe will benefit as coal-fired generation will be phased out within a few years. We are equally pleased that the Liberal government will get serious about energy conservation and bring in programs to help householders manage their electricity use." That was a letter to the editor of the Toronto Star on April 21, 2004.

Joan Huzar is a member of my ministerial advisory committee on consumer issues. We welcome her advice and her counsel, and we welcome the support of the Consumers Council of Canada. They have actually read the bill and understand this is going to be good for consumers because it is going to bring stability to the electricity market, something the other side doesn't know a thing about.

I also take exception to Mr Sterling's attack on the integrity of Ron Stewart, a public servant of—

**Hon John Gerretsen (Minister of Municipal Affairs and Housing, minister responsible for seniors):** A great football player.

**Hon Mr Watson:** He's not the football player, but I can tell you he's a great member of the Ottawa Hydro team—he's the president and CEO—and supports the initiative of this government. That's good enough reference for me: the consumers' council and Ottawa Hydro.

2040

**The Acting Speaker:** Thank you very much for your intervention.

The member for Nickel Belt has two minutes to reply

**Ms Martel:** If people want to see what the benefits of public power are, you just have to go to page 10 of the brief that was done by this association, who are not New Democrats by any stretch of the imagination. It says very clearly: "Many Ontario plants face significantly higher electricity costs than their US counterparts." The lowest-priced jurisdiction is Manitoba, with public power. In the middle of the grid are British Columbia and Quebec together, with public power. Who is over there on the end with the highest cost? The highest cost is Alberta with private power, and the fourth-highest cost is now Ontario as a result of the privatization and deregulation of power in this province too.

This graph was not put together by New Democrats. It says, "Source: plant costs from Canadian representatives of companies operating in the US and Canada." Take a look at the graph and see where we are and see what that means now for industry when we are operating with public power, where all the profit-takers and fee-seekers and everybody else who wants to get their hands into your pocket is there, and what those jurisdictions that offer public power, that have not-for-profit utilities, are able to offer. The difference is enormous.

Let me point out again that these folks are no friends of the NDP. They are not. These are people who supported full-fledged competition as fast and as far as the Conservative government could have gone. The Association of Major Power Consumers in Ontario came

to the committee and said, "If Bill 100 passes, we can anticipate hydro increases of 30% to 53% by 2008, and the loss of 140,000 jobs in the province of Ontario." Think about what that means to the province: in my community and many others. Think about what that means to the economy. Think about it and withdraw this bill. Bring back public power.

**The Acting Speaker:** Further debate?

**Mr Kevin Daniel Flynn (Oakville):** It's a pleasure to join the debate. I'll be speaking for five minutes. That may upset some people in the House, but certainly I don't think it will upset the people who are watching. Since I've been here, it is amazing how you can tell the people who have spent time on school boards and on councils. Like the previous speaker, the member for Don Valley West, said, if you can't say something in five minutes, you've got nothing to say. Somebody has yet to come up to me and say, "Do you know what? I loved that 30 minutes of ragging the puck you did for us on behalf of the opposition party," or the government or whichever side.

It's no wonder we're speaking about a bill like this today. In a modern Canadian economy, we know how important a secure and affordable energy supply is. It's something we simply can't ignore.

When we talk about economic expansion in the province, when we talk about some of the industries we're trying to attract—you talk to the auto sector, the steel sector—what they want to know more than anything else these days is if the supply of energy is secure and affordable, and something they can count on. Industry needs confidence that this province has a secure and affordable supply of electricity, and the people, as a result of the blackout we had in the previous summer, need confidence that that simply will not happen again.

We learned a lot from that blackout. Things like medical equipment were failing; traffic control was a problem. Things we never thought we would have to deal with needed to be dealt with as a result of that blackout.

I have a refinery in my riding, the Petro-Canada refinery. Anybody who knows anything about the refining process knows that when those industries are either coming up to peak power or going down, that is when the deaths occur, that's when the injuries happen, that's when the accidents happen. An industry of that scale in a community like mine, which is primarily residential, simply needs to know that it can rely on a secure supply of electricity.

What we're doing here, in my opinion, is charting some new ground. I think we're moving forward in a very responsible way. All parties have had a go at this. All parties have tried to make Ontario Hydro work. All parties, I think, have tried their hardest. I think they were sincere. In hindsight, some of the moves that were made were perhaps a little bizarre. You take a look at when the NDP was in power. I still can't figure out the rainforest thing. People tell me that there was a rainforest bought that has since been sold. I have no idea what the idea was behind that, but certainly it is something that gets raised

from time to time. I think when you look at the previous government—talk about no confidence. The moves made by the previous government, with the on-again, off-again—

**Hon Mr Duncan:** I seek unanimous consent to give second and third reading to Bill 100.

*Interjections.*

**The Acting Speaker:** The Minister of Energy has sought unanimous consent to give second and third reading—

*Interjections.*

**The Acting Speaker:** The minister has sought unanimous consent. I heard a no. I'll return—

*Interjections.*

**The Acting Speaker:** Order. I'll return to the member for Oakville.

**Mr Flynn:** I was looking forward to the vote as much as anybody, but I certainly will continue.

We know we need a combination of private sector and public sector in order to make the electricity supply work in Ontario. We know that it's got to be a system that we can rely on. I think what we presented is a plan that will find approval with the people of Ontario, because they know how important this is.

It's not just about generating raw power in the province. We're also introducing a power authority, we're introducing what's called a conservation bureau, we're going to have a chief energy conservation officer, and we're going to plan and coordinate energy conservation measures. We're hoping that's going to help the average consumer in the province to be able to save not only energy, but money.

We're going to be able to, as a result of this, have a reliable, sustainable energy supply. It's going to be at stable, competitive prices. It's something we need. It's something this province simply cannot exist without.

I've heard the ideas that have been raised by the opposition parties. I don't see anything of any substance. What I would like us to do, as has been suggested by at least two parties in the House, is to hold the vote tonight and to pass this bill.

**The Acting Speaker:** Questions and comments?

**Mr Baird:** I listened with great interest to the speech by my friend from Oakville. I was surprised, because we adopted, Speaker, as you will know, these—

**Interjection:** Your collar.

**Hon David Ramsay (Minister of Natural Resources):** Tuck your shirt in.

**Mr Baird:** The fashion police from Timiskaming over there. The fashion police from Timiskaming and Sudbury and Scarborough over there.

We changed the standing orders some years ago and said we would go down to 10-minute speeches after a period of time. The complaints from the Liberal members—you couldn't speak in 10 minutes. This Liberal member only speaks for five minutes, which is a surprise.

I wondered why the member opposite didn't talk about the election campaign commitment that he made to the

people of Oakville, and that was to provide for a fixed price for electricity at 4.3 cents. He didn't mention that.

That was something that Dalton McGuinty endorsed. That is something that Dalton McGuinty said was a good idea, and he got up and voted for it once, twice, three times, four times, including the time it came back from committee. With Dalton McGuinty, you never know what side of the issue—Dalton McGuinty has some of the best policy debates with himself, and I am surprised the member for Oakville wouldn't have mentioned that, or wouldn't have mentioned that so much of the energy policy brought in by this government is in fact the Conservative energy policy. The idea of Conawapa—where did that come from? It came from the Eves government. Where did these conservation ideas come from? They came from when the former minister, who was much more capable, was there doing good things.

**2050**

**Mr Kormos:** These five minutes make me reflect upon the member for Nickel Belt and her 20 minutes of intelligent, rational participation in this debate. There should be some concern about members of this assembly who somehow—as to the argument that you don't need more than five minutes to say what has to be said, I beg you to take a look at some of the learned and skilled analyses and observations that have been recorded over the course of now thousands of years.

I appreciate that it's difficult to have to read the material. It's difficult to have to follow the issue. It takes a little bit of time. It's difficult sometimes, especially when you first come here, to get on your feet and speak to these things.

I remember when the member for Nickel Belt, Ms Martel—it was the current Minister of Finance, you'll remember this, Mr Runciman, he was Minister of Labour at the time—a relatively new member, embarked on what was at that point the longest speech in the history of this House. It was. I remember. I was here late into the night with her. I regrettably had to follow her, having only just been elected here, I think for a couple of weeks. I thought, my goodness, I couldn't possibly succeed her and carry this on.

My job at that point was to put the caucus's position clearly on the record, over and over again if necessary, so that people listening, people watching, would understand where New Democrats stood. I don't think people have any doubt about where New Democrats stand: firmly with public power. Where the Liberals stand from day to day, I suppose, depends upon the observer and on the Liberal you're talking to.

**Mrs Linda Jeffrey (Brampton Centre):** I'm pleased to join the debate this evening. It's been a very educational evening. I think there have been times when history has been redrawn this evening. I wanted to comment mostly because of my experience in Brampton Centre when I was on municipal council. I was one of the individuals who had the responsibility of selling my Hydro utility, unwillingly, I might add, probably for the highest sum ever recorded anywhere in Ontario.

As I joined the Legislature, I asked for a report and got one from the research and information services branch on the key developments, 80 years of developments. The proposed sale of Hydro One and the court challenge back in 2001 was something that rocked this province. It changed the way we looked at hydro utilities. It was challenged in court. We spent millions of dollars fighting to ensure that we had a good, safe, reliable electricity system.

Our provincial government now is providing leadership on a very difficult issue. It's clear the status quo is not an option. As a former councillor, I saw this at first hand when I looked at what Hydro One proposed for our community, at what they currently do. I feel comfortable that what we are proposing here in this piece of legislation will give people confidence that we will have a conservation plan, an energy plan and an ability to provide businesses throughout Ontario with options and services they can rely upon no matter the size of their business. This is a piece of legislation that I hope everyone in the House can support.

**Mr Sterling:** I just want to make it clear that although the member for Ottawa West talked about Ron Stewart, I didn't even mention Ron Stewart, I mentioned Ottawa Hydro and their reputation in the city of Ottawa.

I want to talk a little bit about NUGs, non-utility generators. Why should we believe this government has a good plan when the last Liberal government came forward with the whole notion of non-utility generators? What they did back in the late 1980s, in terms of Ontario Hydro, was that they said to Ontario Hydro, "You go out to the private sector and get them to supply us with new generation, NUGs". They went out and made deals to buy power at nine cents, at 10 cents, at 12 cents per kilowatt hour. As a result of doing that, what happened was that Ontario Hydro incurred a liability of almost \$4 billion. That's how these guys are going to balance their budget next year. They've brought that debt over from Ontario Hydro into the Ontario coffers and said, "This is a write-off." They didn't write off all the non-utility generation, but they did most of it.

Why should we believe that the same gang that recklessly went out and bought power at three or four times the market price, and then stuck the Ontario taxpayer with a \$4-billion debt, has a better plan now? They didn't know what they were doing then; they don't know what they are doing now.

**The Acting Speaker:** The member for Oakville has two minutes to reply.

**Mr Flynn:** It's a pleasure to respond. I appreciate the input and comments on the proposed bill from the members from Brampton Centre, Niagara Centre, Lanark-Carleton and Nepean-Carleton.

I guess there are some people who would like to maintain the status quo. That is an option that is simply a non-starter for the province of Ontario, when you see that the price of doing nothing is far greater than any plan that is being proposed here today. What we're going to ensure

is that residential and small business constituents receive a fair and stable rate plan

There were some comments from the member from Nepean-Carleton about the rate freeze at 4.3. What he didn't tell you during his comments, what he didn't tell the people of Ontario, was that that was putting us another billion dollars in debt. That seems to me to be an important point that needs to be taken into consideration. When you're telling people part of the story, perhaps it's incumbent upon you to tell the whole story so you can make an informed decision.

Under our plan, the Ontario Energy Board would approve an annual rate plan for residential and other low-volume consumers. That's going to be based on an expected, regulated contract and market prices. The rate plan for residential and other low-volume consumers would be set by the Ontario Energy Board. Consumers and small businesses that don't wish to participate in the rate plan would be free to purchase their electricity from energy retailers or directly through the market. Large consumers, as they do, would continue to have all the options afforded to them by the market, or they too can buy from retailers as well.

What I think we have is a comprehensive plan that we are ready to move ahead with. We have a plan that's going to ensure Ontario has a stable and affordable energy supply.

**The Acting Speaker:** Further debate on Bill 100?

**Mr John Yakabuski (Renfrew-Nipissing-Pembroke):** It's my pleasure tonight to speak to Bill 100. The member from Oakville just hit on the crux—

**Hon Mr Ramsay:** What are you drinking there?

**Mr Yakabuski:** Water, your honour, strictly water.

The member hit on the crux of what it's all about when it comes to energy in Ontario—a safe, secure, economical supply. We tend to complicate things. I know we live in a complicated world. You hear that all the time, "My goodness gracious, do we live in a complicated world today or what?" But there are times when we have to simplify the world we live in. As to the energy situation we face today, you can complicate it or you can simplify it. But the Minister of Energy has said, in his own words, I believe, "What are we talking about here? Supply, supply, supply."

It's like this. If you want to have a successful society today, you have to have a strong economy. One of the cornerstones of a strong economy is a safe, secure, economical, competitively priced energy supply. In my opinion, this bill does not address that.

Let's go back a little bit in history. The Liberals have never had an energy policy. Somebody else has always had to do it for them. When the previous government moved to deregulate energy prices, the Liberals jumped on the bandwagon because they wouldn't know a good idea if it hit them on the head. They thought that might be a good idea, so they were going to support it. When the government decided to reregulate prices because supply was not coming on-line as expected, the Liberals jumped on that bandwagon. They just don't seem to understand

that you have to somehow show some leadership when it comes to an energy bill.

For the most part, this bill is a rehash of previous energy policies, but one thing that is significantly different in it is, they want to shut down every coal-fired generating station in this province by 2007. Let me correct that. They have promised to shut down every coal-fired generating station in this province by 2007. It is simply not doable, but this is the charade they're going to carry on with the people of Ontario for a couple of years further into the future. You know why? Because they have been branded over and over again, and rightfully so, as the party that never met a promise it couldn't break. They're trying to hang on to this energy promise about these coal-fired stations. However, they will be breaking this one too.

The fact that this whole bill is predicated partially around that, I have to, at this time, move for adjournment of the debate.

**The Acting Speaker:** Mr Yakabuski has moved the adjournment of the debate. Is it the pleasure of the House that the motion carry?

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

All those opposed will please say "nay."

In my opinion, the ayes have it.

Call in the members. This will be a 30-minute bell.

*The division bells rang from 2103 to 2133.*

**The Acting Speaker:** All those in favour of the motion will please rise and remain standing.

Those opposed to the motion, please rise and remain standing.

**The Deputy Clerk (Ms Deborah Deller):** The ayes are 0; the nays are 30.

**The Acting Speaker:** I declare the motion lost. It being past 9:30 of the clock, this House stands adjourned until tomorrow at 10 am.

*The House adjourned at 2134.*

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