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**Wednesday 26 November 2008**

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**Mercredi 26 novembre 2008**

**Standing Committee on  
Estimates**

Ministry of Energy

**Comité permanent des  
budgets des dépenses**

Ministère de l'Énergie

Chair: Tim Hudak  
Clerk: Sylwia Przedziecki

Président : Tim Hudak  
Greffière : Sylwia Przedziecki

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Hansard Reporting and Interpretation Services  
Room 500, West Wing, Legislative Building  
111 Wellesley Street West, Queen's Park  
Toronto ON M7A 1A2  
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Service du Journal des débats et d'interprétation  
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111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 26 November 2008

Mercredi 26 novembre 2008

*The committee met at 1602 in room 151.*

## MINISTRY OF ENERGY

**The Chair (Mr. Tim Hudak):** Good afternoon. I call the Standing Committee on Estimates into session. Today we're considering the estimates of the Ministry of Energy, which had been selected for a total of seven hours and 30 minutes.

As folks do know, we're at the end of the estimates session. Today, by special motion in the House, is the last day for estimates of 2008. So whatever we get done today we get done, and that will conclude estimates until 2009, when new ministries will be selected.

As you know, Deputy, the ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has assigned someone to work with Jerry Richmond, to my left, in terms of making sure that we have the questions recorded accurately and to get responses back on a timely basis. Feel free to speak with Jerry after the meeting to confirm.

Any questions on procedure before we begin?

**Mr. Peter Tabuns:** Mr. Chair, unfortunately Howard is not able to be here, and I think our staff had asked you if our rotation could be stood down.

**Hon. George Smitherman:** This is the last meeting.

**Mr. Peter Tabuns:** I understand that.

**The Chair (Mr. Tim Hudak):** Why don't we chat after? We'll get the minister started with his 30 minutes, in the interests of time.

**Mr. Peter Tabuns:** Fine.

**The Chair (Mr. Tim Hudak):** And then you and I can chat about procedure and just make sure we're on the same page. Anything else? Okay, we will proceed, folks.

I will now call vote 2901. We'll begin with a statement of not more than 30 minutes by the minister, followed by up to 30 minutes from the official opposition, and we'll see how to treat the last half-hour with the third party and the minister's comments. We should be concluded by 6 p.m. if everybody uses up all of their time.

Minister, welcome back to estimates. The floor is yours. You have 30 minutes.

**Hon. George Smitherman:** Thank you very much, Mr. Chair. When I got the opportunity to head up this new ministry, one of the great sources of excitement,

which regrettably has dissipated in the scheduling matters, was that I thought I would be, in one year, in the position, the trifecta, to do estimates as Minister of Health, estimates as Minister of Energy and estimates as Minister of Infrastructure. Alas, today we're limited to a couple of hours formally related to the Ministry of Energy.

I do want to let you know that since my appointment I'm certainly working in a Ministry of Energy and Infrastructure mindset, but the substantive part of my focus will be on energy.

At this time we're experiencing unprecedented investment in infrastructure renewal which, when combined with the renaissance of our energy system, offers a tsunami of investment opportunities. Each of these comprehensive strategies will create home-grown jobs that stimulate local economies and allow us to plan confidently for tomorrow's challenges rather than simply reacting to today's. All across the landscape of my new ministry are investments in energy, transit, growth planning and government buildings themselves combined to lead our serious effort to tackle climate change. The Ministry of Energy is a drive gear for the government's climate change initiatives.

Much of the groundwork for the efforts that are under way had been laid prior to my arrival, of course. In 2006, my cabinet colleague Dwight Duncan appeared before you as the then Minister of Energy. He outlined then the long-term direction on energy policy, one that would bring stability to the system, renew an aging infrastructure and address our growing demand for power in an environmentally sensitive way.

Since I started as minister in June, I've enjoyed the privilege of travelling to some pretty interesting places. Here at home I've toured many of our core energy assets, like our nuclear and hydroelectric facilities, and around the world I've been learning from energy efficiency leaders, exploring more fully the economic opportunities of the green economy and becoming more familiar with cutting-edge technologies and what will work for Ontario, and this much is clear to me: In 2008, nowhere is leadership and innovation more critical than in Ontario's energy sector. It's essential to our vision for a greener Ontario, one where our environment and our economy work in harmony, where we don't have to choose between our health and our prosperity.

There is no greater example of our power than that related to Niagara Falls, which not only helps to keep

electricity flowing throughout our daily lives, but it's also a rich reminder that Ontario's energy system was built on this abundant renewable resource more than a century ago. While our energy needs have grown and our supply mix has changed at more than 2,000 megawatts, the Sir Adam Beck generating stations continue to meet just about 10% of Ontario's needs most days of the year. This proud history of vision and leadership is essential to Ontario's continued long-term success.

In fact, in light of the steady progress that has been made already, I directed our energy planners, the Ontario Power Authority, to examine ways in which we could raise the bar on our goals, particularly when it comes to renewable energy and conservation.

In 2008, we are in the midst of the most comprehensive overhaul not just to the electricity system and the infrastructure but to the very philosophy of how we will power our homes, our businesses, our communities, indeed our cars, for decades to come. We're moving steadily toward an energy system that is the key to removing carbon from Ontario's economy, one that is integral to our Go Green action plan on climate change and one that will fuel Ontario's economy with cleaner, greener, reliable power for the next 20 years and beyond, as well as supporting a burgeoning green tech sector that will help create opportunities for Ontarians from one end of the province to the other.

We're making significant progress, thanks to the diligent work from across the energy sector: from private entrepreneurs, the OPA, the Ontario Energy Board, the Independent Electricity System Operator, Ontario Power Generation, Hydro One and local distribution companies.

I must also acknowledge the important contributions of our partners, like I mentioned, in the private sector at municipal utilities and in the environmental movement. We're all united in working toward building a strong Ontario.

And I cannot forget the dedicated public servants at the ministry. I'd like to take this opportunity to thank Peter Wallace, the former Deputy Minister of Energy, for his hard work and dedication on this file. Mostly I want to thank him because he's now the deputy minister to the Minister of Finance, and I want him to be attentive to our needs ongoingly. During his tenure at energy, Peter, his assistant deputy ministers and their staff led the effort to turn this new vision into reality.

That important work continues today under the leadership of Saad Rafi, the new Deputy Minister of Energy and Infrastructure. He brings with him a wealth of private and public sector expertise that will be invaluable as he oversees the integration of the two ministries. I'm really confident that Saad will be a strong and dynamic leader for his team as we continue to reshape Ontario's energy system.

One of the first things I did after I took on my new post, on a challenge from Dr. David Suzuki, was to see with my own eyes the green energy efforts of world-leading jurisdictions like Denmark, Spain and Germany. I saw some pretty amazing initiatives that are shrinking

carbon footprints by creating clean, green power, all the while stimulating green sector economies with careers in research and development and jobs in manufacturing, installation and retrofitting.

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In Freiburg, Germany, I visited one neighbourhood where all the homes had solar panels on their roofs and great thinking in their design. That neighbourhood is a net supplier of energy.

I learned how Spain, which operates 15,000 megawatts of wind power, is now moving to complement it with a similar dedication to solar power.

In Denmark, I visited a community of about 7,000 people that meets 100% of its needs locally, from wind and combined heat and power projects fuelled by biomass, geothermal and energy from waste.

I learned about Germany and Spain's feed-in tariff system, an incentive structure that uses government policies and legislative tools to encourage national and regional utilities to adopt renewable energy. It has created a market for green energy and it has created green jobs.

I saw that innovation right here at home too. I was particularly struck with the Ear Falls project, where new technology is being added to an existing hydroelectric site. Here, the Lac Seul First Nation is a partner with Ontario Power Generation. I've come to understand very clearly, when we use words like "capacity building" and the like, how this project will have the effect of providing that First Nation community with a sustainable source of revenue that will substantially enhance their capacity to provide for the needs of their people. This project is currently under construction, and there are several others being promoted by other First Nation and Metis communities, such as adding new technology to better harness water resources on the lower Mattagami.

I just want to take a minute to stress again the real opportunities for innovation that can be unlocked by truly engaging aboriginal communities. Taking these kinds of initiatives is much more likely, in my opinion, to result in success of the kind that can bring renewables to light and provide extraordinary economic benefit and contribution to the circumstances of First Nation and Metis communities.

I also saw innovation at Brookfield's impressive Prince wind farm in Sault Ste. Marie, and at Melancthon too, just last month, when the latest phase of this wind farm established Ontario as the Canadian leader in wind capacity and the Melancthon EcoPower Centre as Canada's largest wind farm. And I saw it at the Ontario Power Generation's Atikokan generating station, where recent test burns of biomass have achieved 100% of the plant's 230-megawatt capacity.

The strength and stability of water and nuclear power provide us with the confidence we need to eliminate coal. Coal-fired electricity is the single largest source of air pollution in Ontario. Our government is committed to eliminating coal as a power source by the end of 2014. The move instantly becomes the single largest climate

change initiative in Canada. Its impact will be equivalent to taking almost seven million cars off Ontario's roads.

In our pursuit to eliminate coal, we've cut this dirty electricity generation by one third. By 2011 we will have cut it by two thirds, and by 2014 we'll be off coal altogether.

We're also asking Ontario Power Generation to develop and implement a strategy to drive down emissions from coal-fired generation in 2009 and 2010, leading toward the 2011 cap. Already, we're showing good progress. Coal output is down 16% in the first nine months of 2008; some of that, of course, is weather-related.

The challenge, however, is that we replace this electricity generation with something else. Ontario has decided on conservation and renewable energy that are backed up by natural gas. I will say more on natural gas generation later, but here I want to point out that it's essential because it does provide electricity on demand in a similar, dispatchable way as coal, but without the same smog-causing sulphur dioxide emissions and lead that existing coal-fired plants are responsible for.

We've come a long way to realizing that vision since our government was first elected in 2003. The ambitions that Ontarians hold for their province—their vision of a cleaner, greener legacy for their children—demand that we constantly raise the bar.

As I mentioned earlier, I've directed the OPA to review a modest portion of the proposed integrated power system plan. We have asked them to specifically review the following:

- the amount and diversity of renewable energy sources in the supply mix;
- the viability of accelerating the achievement of stated conservation targets, including a review of the deployment and utilization of smart meters;
- the improvement of transmission capacity in the orange zones in northern Ontario and other parts of the province that is limiting the development of new renewable energy supply;
- the potential of converting existing coal-fired assets to biomass;
- the availability of distributed generation; and
- the potential for pump storage to contribute to the energy supply mix during peak times.

Further, I also directed the OPA to employ an enhanced process of consultation with First Nation and Metis communities, including the consideration of partnership opportunities in generation and transmission. In fact, what I've said is that the words "consultation" and "duty to consult" are the low bar when it comes to the opportunities for active engagement in partnership with our First Nation communities.

I also want to be clear about what is not up for review during this review. There will be no change in our plan to eliminate coal from our energy supply mix. There will be no change in the plan to maintain Ontario's installed nuclear capacity at about half of our baseload supply. At the heart of that review lie these questions: Have we created the conditions to maximize our full potential?

Are our policies aligned with our ambitions for our economy and for our ecology? Have we yet unlocked the model that will afford the First Nation and Metis communities fuller participation?

We were able to raise these bars and ask these questions because we have a strong foundation. Ontarians enjoy one of the cleanest, greenest energy profiles found anywhere. When leaders from earlier centuries and decades decided that we would build on the strengths of Niagara Falls with investments in nuclear, our trajectory was set. Together, water and nuclear provide us with more than 75% of all the electricity that we used last year in Ontario, and our commitment to ensuring the stability of this foundation is at the very centre of our plans.

As I mentioned earlier, I recently participated in the official opening of Canada's largest wind farm, the Melancthon EcoPower Centre near Shelburne. It isn't just 199.5 megawatts of fuelless power; it ensures that, by the end of the year, Ontario will have more than 950 megawatts of wind power online, nearly double what we had just at the beginning of this year. This is success we can and will build on.

That's why we're working on policy and legislative changes that will be designed to lead the way to send a strong, confident message that Ontario is dedicated to best-in-class programs and best-in-class progress.

All Ontarians will also benefit from the work we've been doing to bring more renewable energy supply online. It is our goal to power the province with more sources of energy that harness—not harm—the earth.

We're also building on the strength of our hydro-electric power with a project that will expand the capacity of Beck generating stations in Niagara Falls. When it's finished, this project will produce an additional 1.6 billion kilowatt hours of clean, renewable electricity a year, or about the equivalent of the power needs of 160,000 homes.

Our innovative renewable energy standard offer program, designed to support small, renewable projects like wind, water, solar and bio-energy, has also been an overwhelming success. In fact, it has been so successful that we see the opportunity to enhance it. The program has been under review because we know that we can make it better and redesign it to fully capture the spirit of entrepreneurship in the renewable sector. This revamped program will be up and running again soon, and I'm excited to see how much more we can do in the future.

Meanwhile, I'm happy to report that there is unprecedented co-operation amongst a variety of our agencies to break down long-standing systemic and regulatory barriers and find bold new solutions to expanding renewable energy. Other ministries are pitching in too. For instance, the Minister of the Environment and the Minister of Municipal Affairs and Housing have embraced the spirit of change that I brought back from Europe and California and are helping to make change happen here in Ontario.

We're also looking at ways to complement our aggressive renewables plan by ensuring that we have do-

mestic manufacturers of products such as wind turbines. I know that there are opportunities to look at the profile of government expenditures to ensure they have the strongest influence on the economy of the province.

As good as a move to renewables is, the best power out there is in the hands and minds of 13 million Ontarians. When I was in California, I learned how that state has achieved flat growth in their per capita energy use since the energy crisis in the 1970s. I think that's a track record worth aspiring to. Using less energy doesn't just reduce the carbon, it doesn't just reduce the bill; it also makes our province more productive, so we have an economic advantage to gain from it as well.

Conservation is the cheapest energy you can buy, and I'm determined to buy lots of it. We've made great investments so far. For instance, smart meters have been installed in two million homes across the province. These devices will empower Ontarians to see the price of electricity and, more importantly, to better manage its use.

Already, we are counting on conservation to absorb 75% of all the demand growth going forward.

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The good news about conservation isn't limited to lower energy use, however. These initiatives are intense drivers of green sector careers in research and development, energy-efficient construction and retrofitting and the homegrown jobs that will be created for manufacturers, assemblers and installers. The progress we have made to date is due to the concerted conservation efforts across the board from Ontarians, from government and energy agency initiatives, to industry and business efforts, residential consumers—everybody who understands that every kilowatt counts.

We've really benefited from having Dr. Suzuki involved in helping to profile these efforts. Independent voices have noticed this. In August, the non-profit Canadian Energy Efficiency Alliance recognized our conservation efforts with an A grade on its annual report. For anyone at home who's wondering, I've never had a chance to earn an A grade through my own academic pursuits. This was Ontario's highest mark ever, and I was really proud to be associated with the efforts of so many that have led to this improvement.

Just because we're doing well doesn't mean we can't do better, for the times dictate greater resolve than ever before. We must raise the bar on how we measure conservation savings to ensure that they are quantifiable and verifiable, and we must more clearly recognize that our local distribution companies enjoy a special powerful relationship with 4.8 million electricity ratepayers, a relationship that dictates that LDCs be more clearly in the driver's seat when it comes to leading conservation and energy efficiency initiatives. That's because the most efficient way to cut Ontario's carbon footprint is to use less electricity and to shift use away from times of peak demand. Conservation and demand management are also the quickest, easiest way to control costs, both for individual users and for the system as a whole.

I'd like to talk a little bit about smart meters. Smart meters will give Ontarians a needed tool to conserve by

overcoming the gap between when power is used and when we see how much we've used. I'm happy to report that more than two million meters have been installed, as I said a second ago, as of today—or perhaps yesterday—putting us well on the record to reaching our goal of province-wide installation by 2010. About 30,000 customers in Newmarket, Milton and Chatham-Kent have already moved to time-of-use prices. Toronto may follow soon.

Smart meters are about more than just enabling time-of-use pricing. By reducing operating costs and driving efficiencies, smart meters can bring about system-wide benefits from which consumers will ultimately benefit. I also believe there is great promise in the ongoing development of smart meter technologies. Our government's primary intent is to increase awareness, but our ultimate hope is that this concept exceeds our expectations. That's why I directed the OPA to review ways to more fully realize the potential of smart meters.

I can't go further without talking about transmission constraints, which is, of course, of particular concern when it comes to green energy. We're already taking action to address these constraints and maximize the potential for new renewable energy. For example, the Bruce-to-Milton transmission project, announced on March 26, 2007, will facilitate the development of a vast renewable power resource from the Bruce Peninsula. This project is moving through approvals, and an environmental assessment should be delivered to the Minister of the Environment before the end of the year.

As I outlined earlier, the OPA's review will look at ways to further improve transmission capacity in parts of the province and frankly to zone in and address the circumstances in the orange zones. These transmission upgrades will not only enhance Ontario's energy security and help clean up our environment but will also stimulate unprecedented economic development in our north and throughout Ontario.

Reliability has always been this government's number one priority. Since October 2003, more than 3,700 megawatts of new supply have been added in Ontario, a mixture of cleaner gas-fired generation, low-emission nuclear power and green renewable energy like wind. That's an increase of more than 10% in terms of province-wide installed capacity. The IESO reports that more than 5,000 megawatts of new supply is expected to come into service over the next 18 months. By 2011, our actions will have helped Ontario add an estimated total of about 10,000 megawatts of new capacity.

On the nuclear front, there is a competitive, transparent nuclear procurement process well under way designed to deliver a new two-unit plant to help ensure we maintain our base load nuclear supply. I want to make it clear again that it's our intent to maintain, not to grow, our reliance on nuclear power. Nuclear has served us well over the years for the many decades, and I believe we've learned a few things in that time to ensure that it will continue to serve us even better into the future.

As you all know, the OPG's Darlington plant has been named as the site for the new two-unit plant. The vendors

are currently putting together detailed bids to build this facility, and those bids are expected in early 2009. A decision on the winning bid is expected in the spring of 2009.

We're using an innovative approach. For the first time, we're using a competitive, commercial process to select our nuclear vendor from leading international companies. This process is fair, it's transparent and it's competitive. I'm confident it will help to ensure that Ontarians get the best deal.

Finally, while nuclear power provides us with steady, reliable power, our strategic plans for gas-fired plants give us the additional flexibility we need to address peak demand. I talked about the benefits of gas-fired generation earlier. New gas-fired generation has come on line in Toronto, and other projects are nearing completion in Sarnia, Brampton and Halton Hills, and procurements are under way for gas-fired plants in the northern York region and the southwest GTA.

The leaders in earlier centuries and decades gave us Niagara Falls and nuclear power, and now the torch is passed to us to build on that legacy—to eliminate coal, to enhance renewables, to stimulate conservation and to collectively meet this test: Will you leave the earth in better shape than when you found her?

I'm proud of how far we've come in terms of our efforts to reshape Ontario's energy system. Looking ahead, we'll continue to search out and encourage innovative ideas and technology that can help us raise that bar on conservation and renewable energy, as well as creating green-collar careers in research and development, energy-efficient construction and retrofitting from manufacturers, assemblers and installers. Our forthcoming policies will enhance certainty for investors and will streamline processes for the task at hand, which has been described as the greatest public policy challenge in history. I'm convinced Ontario can aspire to more when it comes to our energy system, and that we can turn those aspirations into a clean, green reality. It's no more than Ontarians expect, and it's certainly no less than what they deserve.

I thank you for the opportunity to be here today.

**The Chair (Mr. Tim Hudak):** Seven minutes and 12 seconds remaining, Minister.

**Hon. George Smitherman:** I should have talked more like this.

**The Chair (Mr. Tim Hudak):** Thanks, Minister, very much for the opening remarks. We're going to adapt our procedure somewhat. I believe I have all-party consent. We're going to go to the official opposition next for 30 minutes, Minister, and then it will come back to you for 30 minutes. We're standing down the third party's time today, so you have your 30-minute wrap-up and then we will conclude at 5:30 p.m.

Mr. Yakabuski, official opposition, the floor is yours, sir. Half an hour.

**Mr. John Yakabuski:** Thank you very much, Chair. Thank you to the minister and deputy minister for coming here today.

First of all, I apologize for the fact that these hearings have been delayed for several weeks, and at the cost to the third party, I admit. It was mostly my doing, because I was unable to be here myself, and I do apologize for that. Having said that, given that I only have a half an hour, and I know that if I was to ask the minister how he feels today, he could easily speak for 30 minutes on that, if there's a question that I can get a short answer on, I would like to, because it's my 30 minutes. I'd like to have the option of saying to the minister, "Thank you very much," and move onto the next question.

**The Chair (Mr. Tim Hudak):** Yes. If it's a short—

**Mr. John Yakabuski:** Because we are very short of time.

**The Chair (Mr. Tim Hudak):** Short questions with short answers; open-wide questions, I'll give more leeway.

**Mr. John Yakabuski:** Thank you very much. You made the statement—

**Hon. George Smitherman:** Does that apply to "gotcha" questions?

**Mr. John Yakabuski:** You made the statement, Minister, that conservation is the cheapest energy you can buy. Are you committing to ensure that in multi-residential buildings each unit has an individual meter so that we can capitalize totally and in the best possible way on conservation?

**Hon. George Smitherman:** I think that's an interesting construct, to take that one comment and tie it into another. Is your question about conservation or is it about multi-unit residential units?

**Mr. John Yakabuski:** It's conservation.

**Hon. George Smitherman:** We believe in conservation. The integrated power system plan calls for 6,300 megawatts of it. We're going to pursue vigorously opportunities for conservation. What I said in my speech was it's important that they be verifiable. Not all conservation programs are alike. Ontario has an extraordinary—

**Mr. John Yakabuski:** Will it include multi-residential buildings?

**Hon. George Smitherman:** I can't say yes or no. Ontario has an extraordinary array of multi-unit residential buildings, and there are serious risks associated with the implementation of these strategies on low-income individuals that I will always be very, very sensitive toward. It would be more ideal in our province to have built all our multi-unit residential individually metered but we don't have that as a reality.

**Mr. John Yakabuski:** Thank you very much.

You also talked about the transmission line between Bruce and Milton. Of course, there's refurbishment going on at Bruce. Is the expectation, or can you assure us, that the line is going to be in operation before the refurbishment is complete?

1630

**Hon. George Smitherman:** I can assure the honourable member that the line is an extraordinarily high priority. You can see, associated with the timelines, that

we're taking it very, very seriously. But the line is not only related to the refurbishment at Bruce; it's also about maximizing the potential to get renewables from the shore of Lake Huron and the Bruce Peninsula to the markets in the greater Toronto area.

**Mr. John Yakabuski:** But the biggest, as we know, single power source up there is the Bruce nuclear plant.

I want to ask you a couple of questions on the renewable energy RES III. The date for submissions was October 28, and I believe that all those have now been tabulated. You wrote a letter to the editor in the *Barry's Bay This Week* condemning the local council for passing a moratorium on one development in the township of South Algonquin for 10 years. The proponent, the developer, was one of the applicants in the RES III. Do you not think it would be tantamount to interference in the process, that you're challenging the right of a duly elected government to run their affairs, as they have the legal right to do, and that you as Minister of Energy are responsible for this RES III? You're injecting yourself into the debate.

**Hon. George Smitherman:** I think perhaps you're misinformed. Well, you are misinformed; maybe it's wilful, or not. The OPA makes the decisions around applicants on RES III. You know that very well.

Wherever I see an opportunity that a municipal council in the province of Ontario is doing something like creating 10-year moratoriums, I'm going to speak out in favour of the encouragement of all leaders to take a good, hard look at the contribution that renewable energy can make, not just to the energy supply mix, not just to the climate, but to the economy in their local community. It's part and parcel of the public debate. I think the letter was quite a respectful letter.

**Mr. John Yakabuski:** The OPA might sign the contracts, but they take directives from the Minister of Energy: you, of course. In your own speech you talked about—

**Hon. George Smitherman:** With respect—

**Mr. John Yakabuski:**—directing the OPA, and when a minister speaks, and I believe that does have some influence—

**Hon. George Smitherman:** With respect, you are suggesting, sir, that I'm exercising direction over the OPA's—

**Mr. John Yakabuski:** No, I'm not.

**Hon. George Smitherman:** Yes, of course. Read your record back.

**Mr. John Yakabuski:** I'm suggesting that I think it would be wise for the minister not to inject himself into those debates when that proponent is already in the mix as an applicant under their RFP process.

**Hon. George Smitherman:** I disagree with your point. I think it's an odd construct, but I accept that it's your view.

**Mr. John Yakabuski:** Okay. You talked about your visit to Europe and you spoke several times about the role Dr. Suzuki played in that. Can you provide for us a copy of the itinerary for that trip?

**Hon. George Smitherman:** I think you or someone from your party has already done an FOI request on that, but of course we're happy to do it. I think if you looked at the itinerary, you'd think, "Oh, my goodness—"

**Mr. John Yakabuski:** But can you tell us today which system operators you met with on that trip?

**Hon. George Smitherman:** We met with the system operators in Spain from Red Eléctrica, which is the equivalent of the Independent Electricity System Operator. In Germany we met with a wide variety of system operators and big integrated utilities. In Spain we focused quite a bit more on local distributed generation and renewable models. I'd be very happy to provide you with the itinerary, but if you'd like to have a personal debriefing or further information or a slide show of the images that I took, I'd be happy to share all of those with you.

**Mr. John Yakabuski:** I'm looking forward to seeing them.

**Hon. George Smitherman:** I meant to send you a postcard.

**Mr. John Yakabuski:** I'm sure you did.

**Hon. George Smitherman:** I was just so busy.

**Mr. John Yakabuski:** You talked a lot about wind in your presentation and you seem to make a lot of noise—and I don't say that disrespectfully—about wind and the role that it's going to play. In 2007, with an installed capacity of about 400 megawatts, Ontario got less than two thirds of 1% of its power from wind. Now, at 1,000 megawatts, we're looking at about 1.6% of our power if we extrapolate that. At 4,000 megawatts, we're still looking at about 6.5% from wind.

Do you have a plan to go much bigger? Because at 6% of our power from wind, and I don't hear many estimates going much beyond 4,000 to 5,000 megawatts, how do you expect wind to be able to solve the needs and the replacement of 6,500 megawatts of coal—I know gas is part of that as well—in your commitment to renewable energies, given that their capacities are so low?

**Hon. George Smitherman:** You've thrown a few numbers around there, but I think you neglected to absorb a few from my speech, and they're important ones. Through the efforts that we've made collectively, which certainly includes wind, gas-fired plants and refurbishment of nuclear capacity, we have 4,000 additional megawatts online and about 6,000 megawatts projected by 2011 to come into light, for a total of 10,000 new megawatts. So there are three things combined: renewables, gas, a modest refurbishment of nuclear in there too—and conservation: You forgot conservation in that mix that you just spoke about.

Keep in mind that the 6,300-megawatt target on conservation is why I said it's really important that we focus on the verifiability. We have a lot of expectation on conservation, and what we're going to do before we build wind towers or anything else is maximize the opportunities to take advantage of energy efficiency and conservation initiatives. We're counting on that for a lot—

and it has produced 1,350 megawatts of savings so far, as presented by Peter Love.

**Mr. John Yakabuski:** Well, the low-hanging fruit is always the easiest to get at early in the stages. I think it's expected that you're going to have good numbers to begin with.

You talked about nuclear, and you said that you're not going to go beyond the current capacity, but you're also talking about new generation. I'm speculating, obviously, to some degree, but there's a lot of speculation out there by people who are very learned in the field that there's a good chance that refurbishment of Pickering B is not in the cards. So if that doesn't happen, we have further nuclear challenges down the road, but you, offhand, dismiss Nanticoke as a site for any future nuclear development. You've said, "No, it's not going to happen."

If it's determined that Pickering B cannot be refurbished at any kind of economical or reasonable cost—and certainly that discussion is happening as we speak—how are you going to maintain the nuclear capacity if you're not going to consider building more nukes either in the current locations or other locations? And you still have the issue of supported voltage at Nanticoke unless you're going to do something to have generation there with the closure of the coal.

**Hon. George Smitherman:** Firstly, you started a question by saying that you're speculating—I'll add the word "wildly."

**Mr. John Yakabuski:** Well, you're speculating on your conservation targets.

**Hon. George Smitherman:** No, no. With respect, firstly, an integrated power system plan is a first-ever plan. Previous governments didn't do it.

**Mr. John Yakabuski:** Well, OPG has said it themselves, that they're wondering whether it's doable.

**Hon. George Smitherman:** OPG is not leading those initiatives, so—

**Mr. John Yakabuski:** They're certainly not—

**Hon. George Smitherman:** You asked me a five-part question. Do you want any of the answers or do you want to interrupt?

**The Chair (Mr. Tim Hudak):** Maybe you could get to the question about the nuclear sites.

**Hon. George Smitherman:** The first and foremost thing I want to tell the honourable member is that we're focused on a new build at Darlington. You're aware of that. Speculation about the future of Pickering is just that, and it's not something I'm going to get involved in in this forum. At the appropriate time, we'll take a considered view about the appropriate future for Pickering.

In the context of Nanticoke, I seek to send a message to the people of Ontario that the government of Ontario's orientation with respect to nuclear is to successfully complete a new build at Darlington. With respect to Nanticoke, it has not been in our government's plans or encouragement to have a nuclear power plant built there. A private entity seeking to influence downstream government policy has decided, and appropriately so, from

their standpoint, that they wish to try to create an opportunity for that. That is their choice.

On the issue of the role of Nanticoke, I'm very, very encouraging of OPG's examination on any of their coal-fired assets that might be converted to biomass, which is a very, very clean form of energy, can be very beneficial to agricultural and forestry-related communities, and is a topic of substantial examination by OPG and a topic of review in the context of the directive that I sent to the OPA.

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**Mr. John Yakabuski:** We'll talk about that biomass, then. I know you've talked about the test burns you did at Atikokan—100%. One of the considerations that I've seen out there is that Nanticoke could be converted. The pellets that you've used for test burns at Atikokan—it's my understanding, and you can confirm this—have not come from the province of Ontario.

If there is any expansion for the use of wood pellets at any of our currently coal-fired stations, can you give us assurances—and work with the ministries of the environment and natural resources etc. to ensure that we have the capacity; we have the product, we have the fibre; there's no question about that, as you know—that those pellets will be produced here in the province of Ontario?

**Hon. George Smitherman:** Well, it's a great question. Let me say this firstly. The coal that's being burnt there now is coming from North Dakota and Wyoming.

**Mr. John Yakabuski:** We don't have coal.

**Hon. George Smitherman:** Yes, exactly. And pelletization: Obviously, British Columbia has done a little bit of that, and that's the product that was used.

The examination that's ongoing, the due diligence, which includes many different parties and groups, including those ministries that you mentioned, is designed to take stock of the fibre that's available, source out that which is appropriate for these purposes, and see what can be done to fashion an industry around it.

The only other point I would mention is that some of the test burns that have been done at Nanticoke, which have been more co-firing rather than 100% pure, have used sort of residue product from agricultural purposes. Other things like switchgrasses are to be contemplated.

We do see economic opportunities, both in the agricultural and forestry sectors, but there's quite a bit more work or due diligence that needs to be done to determine—not all the boilers are alike, as an example. Some products are going to work better in them, and this is the manner of investigation that OPG is currently leading.

I'll make one further point. When we look at biomass solutions for coal-fired assets, it's Atikokan first—this is our first priority—and other opportunities will follow. But building on the government's investment of \$4 million in the Atikokan Bio-Energy Research Centre, and the work that I've done in Atikokan, which includes multiple visits over the last number of years, we're really focusing in on those opportunities in Atikokan. We've already been involved in conversation, as an example, with the First Nations that would like to be involved in

helping to make some economic opportunities associated with the supply of the fibre, as you've mentioned.

**Mr. John Yakabuski:** Nuclear new build: You're saying you're expecting to make a decision sometime this spring, which could take us to June 20, 2009. Can you provide us, or can the ministry provide us, with an estimate?

This issue has been going on for years, certainly the five years that you people have been in government. It was in 2007, I guess, that they made the decision that they were going to build two new units; it might have been 2006.

How much expected additional cost of building—and I know you don't have bids, but we all know the cost of changes in raw materials and financing and capital and access to capital and all of that, and the availability and the cost of capital, all of those things. We do know those things. What is the additional cost associated with this nuclear new build as a result of the delays on the part of your government?

**Hon. George Smitherman:** With respect, I think that's one of the most poorly considered questions that I have ever had to address.

**Mr. John Yakabuski:** I didn't ask you if you like the question.

**Hon. George Smitherman:** With respect, he says, "We all know." Okay. Well, then, maybe you could tell me what has been the inflation rate on all of those things that you rang off there.

**Mr. John Yakabuski:** I'm asking your ministry to provide it; I'm not asking you to answer it.

**Hon. George Smitherman:** No, you said, "We all know," so you already know. The point is that the process that we're working on will determine what the price is, not just on the build. What we look to in the evaluation of which of the proposals is best is, what is the expected productivity—

**Mr. John Yakabuski:** So the short answer is, you won't provide that information?

**Hon. George Smitherman:** —what is the expected productivity and what are the longer-term costs associated with the electricity it will be providing?

**Mr. John Yakabuski:** The answer is, you won't provide that information?

**Hon. George Smitherman:** I know you're fancying yourself as Perry Mason, but—

**The Chair (Mr. Tim Hudak):** Folks, come on. Come on, now.

**Hon. George Smitherman:** —it's a "gotcha" question.

**The Chair (Mr. Tim Hudak):** Let's all get along. There's just an hour left in this whole session. Mr. Yakabuski, if you have a particular request of the ministry, I just want to make sure we got that on the record.

**Mr. John Yakabuski:** I would like their estimates as to what the additional costs for nuclear new build will be as a result of the delays over the past 18 months to two years.

**Hon. George Smitherman:** Firstly, I could say let's backdate that eight years to the previous government, who didn't do it.

**Mr. John Yakabuski:** We can't provide it. We're not in government.

**Hon. George Smitherman:** With respect, there is no mechanism, information or answer to the question the honourable member is searching out, and he knows that in asking it.

**Mr. John Yakabuski:** So you cannot estimate? There's no mechanism in place to do that?

**Hon. George Smitherman:** No.

**Mr. John Yakabuski:** So you can't estimate—

**Hon. George Smitherman:** You said, "We all know." You make it up. You make an estimate and send it over to me. I'll be happy to take a look at it.

**Mr. John Yakabuski:** We all know that those things have gone up. You've been here too, George.

**Hon. George Smitherman:** Yes, I would acknowledge that the price of things goes up year after year.

**Mr. John Yakabuski:** Yes, but delays do add to costs.

**Hon. George Smitherman:** Then we'll factor in the eight years of delay—

**Mr. John Yakabuski:** Businesses do that all the time.

**Hon. George Smitherman:** This is a manufactured delay—manufactured in your ideological construct.

**The Chair (Mr. Tim Hudak):** Folks, let's take a step back. One thing I looked forward to as Chair was the strong personalities involved with the energy estimates, and I'm certainly being rewarded with some entertaining discussion here at committee. But I will remind members that the purpose is for questions regarding the estimates of the ministry before us, as opposed to debate.

**Mr. John Yakabuski:** Okay.

Minister, you talked about your visit to Europe—Denmark, Germany, Spain and maybe a couple of other places; I didn't hear everything. I'm taking some information off what I am told is Denmark's official website, www.denmark.dk. The average price of electricity to the average consumer in Denmark for 4,000 kilowatt hours' annual consumption—much less than ours—works out to almost 40 cents a kilowatt hour based on their power plan. It's 39.8423 cents Canadian—obviously it's a currency conversion, so that changes daily. You're using Denmark as an example of what you want to build as the electricity system in this province. You talked about how you want to capitalize and follow the lead of these jurisdictions. Is that where we're going with—

**Hon. George Smitherman:** Obviously, no. We think those three jurisdictions have done a pretty good job at implementing renewables. We have a core supply mix which, as I mentioned, had 75% of our electricity provided last year by nuclear and by Niagara Falls and other large-scale hydroelectric. They don't have Niagara Falls in Denmark and they don't have nuclear, as far as I know—maybe in Copenhagen; I didn't go there.

You made the point earlier, actually, which I think is most relevant. Our starting point on, if you will, new

renewables, aside from big-scale hydroelectric: We're up to maybe a point and a half or something like that, in terms of the overall contribution it's making, and we're looking to make gains on that, but we're not looking to have a supply mix that mimics that of Denmark. In Denmark, nobody is further than 20 kilometres from the sea, the winds blow constantly—there are many differences. Associated with their models of implementation of renewables are some lessons we can learn and which we seek to apply, but we will not be changing Ontario's supply mix to mirror Denmark's, and we will continue to rely on Niagara Falls to provide electricity.

**Mr. John Yakabuski:** According to this, Denmark gets over 50% of its energy from coal.

**Hon. George Smitherman:** Yes, and Germany too. Something that environmentalists sometimes don't speak about is recognition of the supply mix of those countries. Our examination in those places was not, "We want to mirror your entire supply mix." Ours was to take a look at how, building on a very clean supply mix we already have, compared to them, we can further enable renewables to make an even bigger contribution to climate change initiatives.

**Mr. John Yakabuski:** I think it would be better if you were giving the complete picture, including when Dr. Suzuki is talking about those jurisdictions, and how much coal they actually burn—

**Hon. George Smitherman:** Well, I think I'm one of the few people who—

**Mr. John Yakabuski:** That's not the question.

**Hon. George Smitherman:** I mention this very specifically.

**Mr. John Yakabuski:** I'm not done with my question—so that the people get a more complete picture as to what is actually happening. But I am concerned that you—meaning you and your government—seem to be allowing Dr. David Suzuki to write your energy policy. We know he has credentials in the scientific and environmental fields and as a broadcaster, but I don't know that he would be considered objective by even the most objective people when it comes to energy. I do wonder why you seem to have jumped almost in lockstep with Dr. Suzuki in coming up with your energy policy.

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**Hon. George Smitherman:** It's just another example of a pretty bad question on your part. What you've suggested is that Dr. Suzuki—

**Mr. John Yakabuski:** Your answers haven't been all that good, George.

**Hon. George Smitherman:** With respect, what you've just suggested is that Dr. Suzuki has endorsed or actually influenced the Ontario government's policy to build two new nuclear reactors at Darlington.

**Mr. John Yakabuski:** That was before you jumped in with him.

**Hon. George Smitherman:** He's going to find that, particularly, a bit curious. Here's the thing—

**Mr. John Yakabuski:** He may have influenced your decision at Nanticoke.

**The Chair (Mr. Tim Hudak):** Let the minister respond to the question.

**Hon. George Smitherman:** He is an influencer, not just of government policy but of the attitudes of millions of Canadians. He's a much-admired individual. Like you, I have asked questions of those who talk about places like Germany, Spain and Denmark, all of which rely quite heavily on coal as part of their supply mix.

On the matter at hand, which is advancing opportunities to incorporate renewable energy into our supply mix for the purposes of green jobs and of assisting climate change initiatives, he most certainly has a perspective that is very valued. Of course, in this position, it's our obligation to take into consideration the views of many, many people. But we're very pleased that Dr. Suzuki has been willing to be a champion of conservation initiatives by starring, if you will, in our Every Kilowatt Counts campaigns and the like. I'm not really inclined to make any apology for that, but to suggest that he has been the influence over our policy is a little bit odd.

**Mr. John Yakabuski:** I heard the name at least six or seven times in your speech.

**Hon. George Smitherman:** I think it was only twice, perhaps three. Let me just check.

**Mr. John Yakabuski:** I'm sure you've read it over. You talked about getting your advice from many different sources and many different experts. When it comes to the issue of carbon capture, you're not interested in speaking to people on that at all. Would that be correct?

**Hon. George Smitherman:** No. I think it's a subject that I, among many, am interested to learn more about. But if it is associated on the part of those individuals who are trying to convince the province of Ontario to roll back our commitment to eliminate coal as part of our supply mix, then I'm not interested. If it's tied to that policy capitulation—perhaps you've absorbed that and reversed on your party's policies on coal, which are quite unclear and have been a little bit all over the map. We're working in a determined way to eliminate coal as part of Ontario's supply mix, and we're on track to eliminate that by 2014. We've already made substantial improvement in the reduction of coal in our supply mix, and climate benefits are starting to accrue in Ontario.

**Mr. John Yakabuski:** That would only leave you seven years later than your promise, Minister.

**Hon. George Smitherman:** Well, I'm not sure, at the moment, what your policy even is.

**Mr. John Yakabuski:** I didn't know you were asking us about our policies. We get to ask the questions at estimates.

**Hon. George Smitherman:** Sometimes it's a foundation for relevance.

**Mr. John Yakabuski:** What is relevant, if you're not interested in looking at any other issues, is the question I asked you—

**Hon. George Smitherman:** Any other issues? Excuse me?

**Mr. John Yakabuski:** —any other technologies, is, what is the cost of electricity in Denmark? If you are only

interested in looking at the plan as you see it, where do you expect electricity prices to be under your plan over the next five, 10, 15 years?

**Hon. George Smitherman:** We obviously have a foundation for energy that is different than Denmark, and we're going to continue to have assets like Niagara Falls and our nuclear plants that are part and parcel of such a supply mix.

I made the point a couple of times, but I think it's worthy of repetition because it doesn't seem to be sinking through too well: We can go and look at other jurisdictions and focus on one piece of their puzzle without having to adopt their whole puzzle. We have very different starting circumstances than they do, but on the implementation of renewable energy, which is a priority for our government where we've made good strides but can do better, we think those three jurisdictions were worthy of a little bit of time spent, and they gave us some insights that are very, very helpful, many of which we'll be able to apply going forward.

**Mr. John Yakabuski:** Minister, I apologize that I have to ask those questions over again. I'm just not as smart as you. We can't help that, you know. George, you shouldn't be so—

**The Chair (Mr. Tim Hudak):** Folks, I remind members—I think it's important for all of us to be respectful of each other's questions and responses. Let's move forward.

**Mr. John Yakabuski:** I'd like to go back to that issue that I talked about up in south Algonquin. There was an article in the Toronto Star about a meeting with respect to wind towers in Lake Ontario. Your comments, and I don't have much time so I'm not going to really look for them, were something to the effect that you felt changes might have to be made with respect to who gets to make decisions in regard to where you can or cannot establish a wind farm, etc. Are we—

**Hon. George Smitherman:** If you actually read the quote, I'd know for sure, but I think I know what you're—

**Mr. John Yakabuski:** I'm going to find it if I've got it—two seconds.

**Hon. George Smitherman:** One of the things that I have said—tell me if this is what you're referring to—is that I think if you look at—

**Mr. John Yakabuski:** Here, I've got it.

**Hon. George Smitherman:** Okay; thank you.

**Mr. John Yakabuski:** "Ontario can likely do 'way better' in providing guidance on where renewable energy projects makes 'the most sense.'"

**Hon. George Smitherman:** Is there more to that quote?

**Mr. John Yakabuski:** Well, there is more but that's all—

**Hon. George Smitherman:** That's the part you liked.

**Mr. John Yakabuski:** Yes. I haven't got time to read it all. I'm running out of time.

Are you considering changes or are you considering taking carriage or control that currently municipalities

have with respect to zoning bylaws, etc. with regard to wind developments or any other developments? Are you planning to take over that responsibility or try to bring in legislation that might take that away from the municipalities?

**Hon. George Smitherman:** I think that what we're looking at is trying to take advantage of providing to a lot of municipalities, such as the one that you've mentioned, a little more clarity around what appropriate setbacks might be. One of the things we recognize is that in Ontario today a whole bunch of different municipalities, some of them quite small, are grappling with a variety of different applications.

I've had conversations, at a starting point with the president or chair of AMO, with a view towards trying to work hand in hand with the Association of Municipalities of Ontario to enhance what I would call a tool kit so that municipalities are in a better spot to be able to evaluate proposals as they come forward. So I don't think it has the nefarious intent that you're attributing to it, but I do think that we can do better to inform overall what things like appropriate setbacks would be, etc.

**The Chair (Mr. Tim Hudak):** Folks, that does conclude the 30 minutes for the official opposition. I think members of the committee know I particularly don't allow questions to be tabled because I want members to focus on the priority questions, and those should be on the record. But under the circumstances today, I'm going to allow an exception. Mr. Tabuns has some questions that he's going to table for the minister to respond to. I've looked through them in advance. They are short—many are simply yes or no questions—and therefore I do find that his questions are in order. I'll ask him to table them with the clerk, and then she can distribute them to members of the committee and to the minister and deputy to respond to at a later time.

**Mr. Peter Tabuns:** Thank you, Chair.

**The Chair (Mr. Tim Hudak):** As I mentioned in the beginning, Minister, now we're going to go back to you. You have 30 minutes for responses or any other topics that you want to discuss, and then we will conclude our meeting at that point.

*Interjection.*

**The Chair (Mr. Tim Hudak):** No, it's the minister's time.

**Hon. George Smitherman:** I haven't had any notes and I'm unfamiliar with the arrangements that have been made, but is it possible for the 30 minutes to be used for government members to ask questions, or it's just I'm supposed to have a 30-minute filibuster? And if I don't use the time, then the time goes back into rotation?

**The Chair (Mr. Tim Hudak):** It would normally go back into the pool, but I think just under the sort of special arrangements we're having today, I would just conclude the meeting at that point in time.

**Hon. George Smitherman:** Maybe I could make a few minutes of comments really just reflecting a little bit on some of the conversation that's been ongoing. We

look forward to the questions that are tabled and will do our very best to provide answers to those.

I really do want to make the point, in all sincerity, to the energy critic for the official opposition that we don't start with a fresh slate here in the province of Ontario; we start with a slate that is all of the implications of all the decisions of all of those who have been in positions of power over more than 100 years. That is the supply mix that we inherited.

**1700**

The work we're doing as a government is to make sure that nuclear, which has been a very, very important part of Ontario's supply mix for a good, long time, continues to provide for us going forward, that we continue to rely upon Niagara Falls and other large-scale hydroelectric assets and that the combination of those two forms of energy production have provided in the last year for just about 75% of all the energy needs of the people in Ontario. We can then choose to focus on a few other things for the balance of that 25%.

It's clear to all that we're a government that is eliminating coal. By 2014, it will no longer be part of the supply mix in the province of Ontario, and that provides us with exciting opportunities to bring in alternatives, each of which is beneficial from a climate change standpoint. The progress made to date is 4,000 megawatts of new capacity, with about 5,000 or 6,000 additional megawatts of capacity in the pipeline that is expected to come to life by 2011. This will mean that Ontario, which as a starting point has a very favourable energy supply mix from the standpoint of its climate impact, will emerge with an even greener one. We think that in so doing, focusing on conservation demand management—that is to achieve, to meet much of the expectation of growth in demand through conservation in a parallel track with enhanced renewable energy—it is both an opportunity to make that progress on climate change, which is obviously a key public policy imperative in this day and age, but also to uncork a substantial green jobs revolution.

I had the opportunity, when I went to the official opening of the largest wind farm in Canada, at Melancthon, just north of Shelburne, north of Orangeville or west of Alliston, to learn more about how the development of that wind farm really provided a lot of economic opportunity in labour and in supplies for literally dozens and dozens of businesses, from the big bolts to bolt in the towers, to the laying of concrete pads, to the generation equipment and the supply of wires. The company that built there was very dedicated to spending their money in a way that had an extraordinarily positive economic impact.

In talking to the landowners: They were enjoying the circumstances, farmers particularly, with having a reliable source of revenue beyond that which the field is able to produce for them. In that instance especially, we had municipal leaders who had stepped up to the plate, been proactive and actually created the conditions that have allowed for hundreds and hundreds of millions of dollars of investment in their very community. We see these

opportunities in many Ontario communities that have been identified but have not yet come to life. The work I'm doing and that I've asked and challenged the Ontario Power Authority to undertake is to build on the success that we've had.

Three or four years ago we introduced the RESOP program. It was very well received. It was novel for its time and has been more successful than was predicted. But instead of just coasting along on that level, we see the opportunity to enhance renewables in our supply mix. The work the Ontario Power Authority is leading is designed to do exactly that. Within a few short months I expect to be in a position to be able to demonstrate to the people of Ontario that Ontario will be a leading jurisdiction in taking advantage of fuelless forms of energy and, in so doing, uncorking economic opportunities in the green jobs agenda. It has some elements of similarity to the campaign platform of the honourable member for Toronto–Danforth.

This is what we're all about. Going to search out what other jurisdictions did is not to say that we went to Germany, Denmark and Spain and said that we want to adopt their supply mix. That wasn't the point at all. Ontario's supply mix is Ontario's because it's built on the unique features of leadership, decision-making and geographic features which are inherent in our jurisdiction. But we do feel that other jurisdictions can sometimes offer insights that, when put into play here, can be very, very beneficial. That's part and parcel of why I've gone and sought to learn more and to look for solutions that can be engaged here.

I would just like to close on one more point which unfortunately we didn't get a chance to talk about but which I think is one of the most exciting opportunities associated with the advancing of a green energy agenda, and that is the opportunities for aboriginal communities, First Nations and Metis, to be genuine partners in these energy supply projects. I mentioned in my speech that in northern Ontario, just south of Red Lake, there is a very pretty community called Ear Falls, where a long-standing hydroelectric project, I think first created in the 1930s to support mining activity in the areas, has recently undergone a substantial investment and will come to life and be producing power in the next few months. Ontario Power Generation has really worked hard to develop relationships with the First Nations—in that case, the Lac Seul First Nation. I've toured that site with Chief Bull. They enjoy 25% ownership. They put \$4 million into the deal and, through a regulated return on investment, will be receiving 10% return and \$400,000 in stable, reliable cash flow for that First Nations community. I think this is one of the most important and exciting opportunities that exists.

As I look to the work that I'm privileged to do alongside so many people in the energy sector, I'm working as hard as I possibly can to develop policies in a way that offers more full, complete partnership participation of First Nations communities so that they can share in some of the bounty of bringing renewable energy to life in the

province of Ontario. To do that will require some determination. To site transmission lines, as an example, is not easy in the environment in which we operate. Nevertheless, these will be important priorities, and we look very much forward to the opportunity to undertake those.

I do hope that I have the good fortune of being invited back for a lengthy estimates process next year.

Thank you, Mr. Chair, for your always good hospitality.

**The Chair (Mr. Tim Hudak):** Terrific. Minister, thank you very much. Deputy Minister Rafi, thank you very much; to the critics as well. This does conclude energy for today.

There are five hours remaining in the estimates of energy; however, I think as folks know, by the standing order in the Legislature, the last meeting for estimates of 2008 is today, Wednesday, November 26, so we will now conclude the process.

Again, to the Ministry of Energy team, thank you very much for being here. Thanks for the responses to the questions that will be forthcoming to the critics.

Folks, we got through the Ministry of Economic Development and Trade; the Ministry of Aboriginal Affairs; health and long-term care; northern development and

mines; research and innovation; labour; agriculture, food and rural affairs; finance; training, colleges and universities; and, partially, energy. That's not a bad accomplishment for 2008.

It has been a pleasure working with you folks. I'm going to miss you.

*Interjection.*

**Mr. Tim Hudak:** From the answer, it's not reciprocated, obviously.

Many thanks to my hard-working clerk, to legislative research—Jerry—to Hansard and others for your efforts to make us get on with the process and conclude today.

No more formalities?

**Mr. Bob Delaney:** On a point of order, Chair: We just want to thank you for your attention to procedure and detail, for your consistent good humour, for your adherence to the standing orders, and for making the exercise of the Standing Committee on Estimates as pleasant and as productive as you can.

**The Chair (Mr. Tim Hudak):** I always liked you, Delaney.

Folks, thank you very much. We are now adjourned.

*The committee adjourned at 1707.*



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Mr. John Yakabuski (Renfrew–Nipissing–Pembroke PC)

#### Clerk / Greffière

Ms. Sylwia Przewdziecki

#### Staff / Personnel

Mr. Jerry Richmond, research officer,  
Research and Information Services