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**Thursday 16 April 2009**

**Journal  
des débats  
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**Jeudi 16 avril 2009**

**Standing Committee on  
General Government**

Green Energy and Green  
Economy Act, 2009

**Comité permanent des  
affaires gouvernementales**

Loi de 2009 sur l'énergie verte  
et l'économie verte

Chair: David Oraziotti  
Clerk: Trevor Day

Président : David Oraziotti  
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Hansard Reporting and Interpretation Services  
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES**

Thursday 16 April 2009

Jeudi 16 avril 2009

*The committee met at 0900 in the Ottawa Marriott, Ottawa.*

**GREEN ENERGY AND GREEN  
ECONOMY ACT, 2009**

**LOI DE 2009 SUR L'ÉNERGIE VERTE  
ET L'ÉCONOMIE VERTE**

Consideration of Bill 150, An Act to enact the Green Energy Act, 2009 and to build a green economy, to repeal the Energy Conservation Leadership Act, 2006 and the Energy Efficiency Act and to amend other statutes / Projet de loi 150, Loi édictant la Loi de 2009 sur l'énergie verte et visant à développer une économie verte, abrogeant la Loi de 2006 sur le leadership en matière de conservation de l'énergie et la Loi sur le rendement énergétique et modifiant d'autres lois.

**ASSOCIATION OF MUNICIPALITIES OF  
ONTARIO**

**The Chair (Mr. David Oraziotti):** We'll start with our first presenter, the Association of Municipalities of Ontario.

As you're aware, you have 10 minutes for your presentation, and there will be five minutes for questions among members of the committee. Whoever will be speaking and responding to questions, please state your name for the recording purposes of Hansard. You can begin your presentation when you like.

**Mr. Peter Hume:** Thank you very much, Mr. Chairman. My name is Peter Hume. I'm the president of the Association of Municipalities of Ontario and a councillor here in the city of Ottawa. We have provided a written submission to the committee, and I'll make a brief presentation to highlight the important points of that submission.

I'm joined by the executive director of the association, who is on my left, Pat Vanini, and the energy services coordinator, on my right, Scott Vokey.

As a group, municipalities represent the second-largest consumer of electricity in the province. Each year, we spend more than \$955 million on energy. I'm proud to say that we are often the first to adopt new approaches to energy conservation and environmental protection. Without question, municipalities have a significant stake in

matters that relate to energy generation, conservation and the related infrastructure.

Generally, AMO is quite pleased with the green intent of Bill 150. It would encourage renewable energy projects and help reduce energy use. We also appreciate its intent to create jobs, fight climate change and establish Ontario as a leader in the new green economy.

When AMO assesses public policy, we look at its contribution to economic, environmental and social values. Good government policy should increase access to and the equity of services, reduce our use of natural resources, and promote sustainable economic development. We are satisfied that Bill 150 seeks to apply these principles to energy production, conservation, transmission and distribution.

We as an association share the goal of creating a culture of conservation. Conservation, demand management and energy efficiency save money, create jobs, improve reliability and fight climate change. Similarly, new generation from clean sources and distributed generation can enhance grid security, develop local economies and, of course, fight climate change.

We are pleased that Bill 150 would allow a municipal corporation board or service board to operate generation facilities.

We also believe municipalities can help Ontario achieve greater competitiveness and efficiency by promoting the generation of renewable energy at numerous locations throughout the province.

AMO does have a concern, however, with the proposed amendments to planning approvals. We also have a concern with the existing property tax regime for renewable energy projects. I want to outline solutions to these matters, and several other recommendations, but time does not permit me to speak to all of them. They are, however, contained in our written submission.

With respect to the planning approvals, AMO strongly recommends that a new tool be established through the proposed regulation. We're calling it the municipal services permit. The intent of the permit is to protect public health, safety and the environment in the implementation of renewable energy projects that are approved by the province. It would actually deal with those very local site-servicing matters, such as identification of access locations and utility pipelines. It could deal with de-commissioning issues—how to rehabilitate the local infrastructure that has been used in the construction of

these projects—and it would complement the building permit that would have to be obtained.

On the one hand, this new tool can be administered by the province if the province wishes to maintain full control of the land use and building stages, including inspection and enforcement. Someone will have to ensure that the installation of the renewable project meets setbacks, for example. Alternatively, this tool can be a requirement under the Building Code Act, administered by the municipality, which would require the applicant to obtain the permit through the building code process from the chief building official to address the site servicing needs.

While the province wishes to take on the land use approvals, the act is silent on the implementation of an approval such as the municipal permit that we've just talked about. For example, our experience says that there are impacts on roads and ditches from the transportation of oversized windmill components. A mechanism is needed to deal with the tail end of that planning process: the building permit, inspection and enforcement aspects.

We would also look for the legislation and/or the regulations to protect existing agreements between municipalities and renewable energy developers. Municipalities must not be penalized for being early adopters.

With respect to renewable energy generation, we would ask that the bill be amended to promote combined heat and power projects. They reduce greenhouse gas emissions and they lower energy costs.

In addition, we would ask that ministerial powers be expanded to support community-owned renewable energy and conservation projects.

With respect to conservation and demand management plans, we have nine suggestions to improve their practicality, which are laid out in our written report.

Secondly, we strongly believe that municipalities should be allowed to work with LDCs to create broader community conservation plans, but municipalities should not be mandated to do this. In many municipalities, they will have a challenge doing conservation plans simply for their own assets.

We also believe that LDCs should be directed to use a consistent bill format. Multiple formats in LDC billing cause confusion and delay. A common electronic file format would allow for information to be used easily and productively.

As well, access to financing is essential to green investment, and we believe that some thought needs to be given to that.

AMO also proposes that LDCs be directed to provide on-bill financing for small renewable installations and energy-efficiency retrofits via a separate, self-supporting fund.

In the interests of accountability and due diligence, we also believe that a technology advisory council should be created to verify claims made by proponents about the efficiencies of their products. Many municipalities lack the resources or expertise to make an independent assess-

ment of that, and no such resource has existed since Ontario Hydro was deregulated.

In conclusion, Ontario, the economic engine of Canada, can and needs to adapt to change, and lead it, where possible.

In the time that remains, I would be happy to answer any questions you have about our recommendations.

**The Chair (Mr. David Orazietti):** Thank you very much. We appreciate your presentation. Mr. Yakabuski, questions?

**Mr. John Yakabuski:** Thank you very much for your presentation this morning. You talked about the economic engine, and that sets a good segue into this. You'll be aware, I'm sure, that last week, London Economics International released an executive summary of a study that they've done that indicates that under this act, electricity prices could rise 30% to 50%, and that the projected, on the ministry's behalf, 50,000 jobs—they have nothing to support how they would generate those. In fact, the rise in electricity prices could actually cost as many jobs as they create. A study from Juan Carlos university in Madrid confirmed that happening in Spain.

If electricity prices rise to that extent—because as municipalities, they're in this game in the same way as other levels of government—what could that do to your ability to provide services? Because those same people paying taxes are going to be paying increased hydro costs.

**Mr. Peter Hume:** The bill presents a number of opportunities for municipalities to achieve savings through conservation. It also allows them to become generators themselves. So we believe, on balance, that the act provides an appropriate mechanism for municipalities to recoup their costs through the program, through involvement in green energy and green energy production.

**Mr. John Yakabuski:** So you're okay with it, then, if electricity prices were to rise 30% to 50%? You're okay with that?

**Mr. Peter Hume:** No one likes to see increased costs, but we believe that we can be part of the generation program, and that's what we're saying. We're saying that our LDCs, which are part of our municipal asset base, can be part of the generation program, and that will be good for municipalities.

**The Chair (Mr. David Orazietti):** Mr. Tabuns.  
0910

**Mr. Peter Tabuns:** Thank you very much for the presentation. Can I take you to your section on the building code? You say, "New building standards must not be ministerial directives to apply to only public buildings but rather should apply to all new buildings and be in the building code." I hadn't picked that up earlier. You're saying that the standard that municipalities will be held to will be different from that of the rest of the building code?

**Mr. Scott Vokey:** That's our concern. The provision in the act allows the minister to direct public buildings, and right now it reads as if it would be provincial buildings only. But it's enabling legislation, so that could

easily be extended to public buildings. What we're saying is, that's sound public policy. While those buildings have a bit more upfront costs, the operating costs are lower over time. That makes sense, so why not apply it to all buildings across Ontario as opposed to just public sector buildings?

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

**The Chair (Mr. David Oraziotti):** Ms. Broten.

**Ms. Laurel C. Broten:** Thank you very much for your thoughtful presentation and analysis, as always. I want to focus, in the time that I have, on the planning approvals process and just pose to you two questions. In your document, on page 6, you say, "The new planning process to be overseen by the REF will apparently 'remove duplication and ... provide clarity....'" I want to speak to you specifically about why you think, by reading your words, that that might not happen. Secondly, I want to ask you whether or not the proposed renewable energy approval process that you set out on page 8 has been tried anywhere else in the world, or whether there were examples that you looked at in setting up this new, possible regime.

**Mr. Peter Hume:** First of all, the details are often in the regulations, so we're often very cautious about what will happen until we see the regulations, and that's why we use the word "apparently." We want to see the regulations to understand exactly what happens to the planning process. I'm sorry, your second question was?

**Ms. Laurel C. Broten:** It was with respect to the proposed energy approval process that you set in place with the municipal services permit and whether or not there were models or examples that you looked to elsewhere in detailing how you thought that perhaps we could move forward.

**Mr. Peter Hume:** No, unfortunately, we've been creating this from scratch. We have not been able to see anywhere else where such a permit is actually functioning. But even though we can't find it anywhere else, we believe that it's important that those very local site considerations, whether it's drainage, how you deal with the road network after construction—there needs to be a mechanism to deal with that. That's why we designed this process to protect those—it's almost like a site plan, if you will—very fine-grained planning details in this process. We felt that that needed to be taken care of.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. That's time.

## SWITCH

**The Chair (Mr. David Oraziotti):** The next presentation is Switch-Kingston's Alternative Energy Cluster.

Good morning, and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions. Just state your name for the purposes of recording Hansard, and you can begin your presentation.

**Mr. Ted Hsu:** Thank you, Mr. Chairman. My name is Ted Hsu, and I'm the executive director of Switch in Kingston. I have with me Bridget Doherty, who is representing a member of Switch.

Switch is a non-profit, grassroots association in Kingston, Ontario. It's an association of businesses, researchers, educators, public institutions, professional students and other interested citizens. Our mission is to make Kingston a centre for sustainable energy. Our members work in the areas of solar, wind and bioenergy; fuel cells; green building; energy conservation and efficiency; education; training; and public policy.

We support the goals of the Green Energy Act, mainly to boost renewable energy and energy conservation, and we applaud the introduction of Bill 150.

In February, our members got together to discuss the expected legislation that we are considering today. I would like to make a few points regarding the bill and its implementation on behalf of our members.

First, I'd like to talk about energy ratings for houses. One member of Switch is the non-profit Hearthmakers Energy Co-operative in Kingston. It performs home energy audits and helps homeowners apply for money from the federal ecoEnergy and matching provincial incentive programs for home energy retrofits.

We believe that Bill 150's required energy audits for houses that are sold should retain the integrity of the current audit system, which is EnerGuide for houses. There has been some talk of dumbing down the energy audit process in order to make it less expensive and, therefore, more acceptable. In particular, it has been proposed, for example, to do away with the blower door test. That checks for leaks in the house, but that defeats the purpose of the energy audit. It's a bad idea, because air leakage can account for up to 30% of the energy losses of a house. In fact, that's the easiest part of the energy loss to correct. The current audit process also results in valuable recommendations, prioritized by cost-effectiveness, on how to improve the building's energy efficiency.

We believe that labelling houses with energy ratings when they are sold will be one of the most important drivers of energy efficiency and will also be a source of jobs.

One member of Switch is St. Lawrence College, which is a pioneering energy systems engineering technician and technologist program. Graduates of this program are ready to work as home energy auditors.

While this work of measuring a home's energy rating costs money, it also creates value and it will drive energy efficiency. It will give a home purchaser clear and reliable information about what they are buying and how much it will cost to live in that house. How valuable is that? I would remind you that the current global recession that we're in started as a financial crisis, triggered in the beginning by subprime mortgages that were sold to people who did not appreciate or were lied to about how much it would cost them to live in their homes.

Next, I'd like to talk about a regional planning process for distributed generation. One of our members is Utilities Kingston and its sister company, Kingston Hydro. They strongly recommend that there be a regional planning process for distributed generation and a planning process that has teeth.

Let me give you an example of why this is important. Kingston is serviced by two transmission lines, a 115-kilovolt line and a 230-kilovolt line. The 115-kilovolt line is used most of the time. Queen's University recently installed a natural gas cogeneration facility that generates 7.5 megawatts, but it's only connected to the 115-kilovolt line and it has to be disconnected when Kingston Hydro switches over to the 230-kilovolt line. That's when electricity demand is very high, like in the middle of the summer, and they have to switch over to the 230-kilovolt line. So they have to disconnect the 7.5 megawatts and replace it by generation from somewhere else.

If there had been a planning process in place, the stakeholders of the 230-kilovolt transformer station in Kingston, which includes Hydro One Networks, Kingston Hydro and the Wolfe Island wind farm, might have gotten together and said, "Although Queen's University derives no benefit from connecting to the 230-kilovolt transformer, maybe somebody else should have been paying that cost because it would make our electricity grid more reliable during peak demand times with that extra 7.5 megawatts of natural gas-generated electricity," and if the Ontario Energy Board had been in the room, they might have agreed to consider whether it would be justified to have ratepayers pay for that extra reliability.

So the bottom line is, if utilities can co-operate with each other, if they can get an idea of local power generation plans—and this will be more important as there's more renewable energy generation—and local power needs and have a clear direction from the OEB on what costs can be recovered, a lot of grid connection issues will be easy to deal with.

Next, I'd like to talk about avoiding picking technology winners and losers or creating unbalanced incentives. One Switch member, the Queen's Institute for Energy and Environmental Policy, would like to say that when implementing the Green Energy Act and in particular when setting financial incentives for renewable energy generation, the government should be aware that technology is changing and should retain as much flexibility as possible. One example given is that bio-refining developments in just a very few years could change radically the economics of using woody biomass in wood pellets.

**0920**

Another example is that some of our members include researchers who work on solar hot water systems and businesses who sell and install them. For a couple of weeks after the announcement of the new feed-in tariffs, they really feared for their whole business, because they were wary that solar thermal systems would be completely pushed off rooftops by solar PV even though, from an energy and greenhouse-gas point of view, solar

thermal might give you better bang for your unsubsidized buck.

**The Chair (Mr. David Oraziotti):** If you could just back up from the microphone a little bit, we'll be able to pick you up a little better.

**Mr. Ted Hsu:** Okay. Sorry.

That situation has been more or less corrected by the augmentation of the federal ecoEnergy home retrofit program and the provincial match for installing solar thermal systems, but it points out the need to be careful when you're trying to find a sensible balance between different incentives for different and constantly evolving technologies.

The next thing I'd like to talk about is making resources available to achieve the goals of the Green Energy Act. I'd like to talk about education. One of our members is St. Lawrence College, and they've been a leader in creating programs to train students to work in the sustainable energy fields: to do home energy audits, install renewable energy, service electrical lines under distributed generation, maintain wind turbines, and become green builders. They're concerned that if the Green Energy Act creates 50,000 jobs there might not be 50,000 people to fill those jobs.

The point I want to make is that it takes a couple of years to start up a new educational program. It's very hard to find good teachers because this is a new field, and I want to emphasize how important a trained labour force is. In Kingston, we have one because of the pioneering efforts of St. Lawrence College, and we've been able to use that workforce to support several businesses that sell and install renewable energy equipment; to staff a home energy audit business; to run deep energy audits of schools, saving energy there; to run a solar domestic hot water rental program; and to run public education programs. So please make sure, when implementing this bill, that resources are available to support workforce training so that we will have 50,000 employees ready if there are 50,000 jobs created.

We also are hoping that other governments' policy or spending decisions regarding infrastructure are consistent with the goals of the Green Energy Act. Many members are wondering whether energy efficiency, renewable energy and distributed generation might be a better investment opportunity for the significant resources being allocated to developing nuclear energy generation, given our understanding of the uncertain and potentially underestimated life cycle costs of nuclear energy.

The last point that I want to make before turning over the mike is recognition of early adopters. A number of our members, unsurprisingly, were early adopters of renewable energy generation and they were subscribers to and promoters of the old renewable energy standard-offer program. Now they're a bit embarrassed with some of the people they got into that program. They helped drive the establishment of a vibrant sustainable—energy economic sector in Kingston. We would like to see them be able to switch over to the newer and much higher incentives proposed under the Green Energy Act's feed-in tariffs

that were announced recently to reward them for what they've done.

**Sister Bridget Doherty:** I'm Bridget Doherty. I represent the Sisters of Providence. The points that I would like to add to Ted's presentation have one aim in common, and that's building local resilience. A strong and resilient Ontario relies on the careful management of our resources, environment and communities. The statement "If it isn't mined, it is grown" sums up our reliance on our environment for jobs, food and energy. I therefore have five points that the Sisters of Providence feel must be considered carefully when finalizing Ontario's Green Energy Act.

**The Chair (Mr. David Oraziotti):** Excuse me; that's time for your presentation, but if you can take 30 seconds and wrap it up, it would be appreciated.

**Sister Bridget Doherty:** Okay. No caps on the amount of renewable energy—the aim should be to move towards 100% renewables; supporting households and small production; nuclear energy—we need to look carefully and include everything in the cost calculations; environmental assessments need to be included for all large-scales, including nuclear, wind, solar and others; and energy poverty—with the OEB-proposed LEAP program and the Green Energy Act, the Ontario government is sending a clear message that it understands the need to act on energy poverty. At the moment, we are having people losing their children because they can't afford to pay for their utilities.

Finally, I'd like to thank the government for developing this program. We believe it goes a long way towards building resilience in our communities. Thanks.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Questions: Mr. Tabuns.

**Mr. Peter Tabuns:** Good morning. Thank you for the presentation. On the question of nuclear power, are you concerned that an ongoing commitment to investment in nuclear will cap the amount of renewable energy that can be generated in this province?

**Mr. Ted Hsu:** I'm not an expert in that area, but I don't see a direct connection, necessarily, between the two.

**Sister Bridget Doherty:** I have a different answer. I am very concerned. I think the strict aim that we always should have 50% nuclear will put a natural cap on renewables. That's a very large concern, I think, really.

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

**The Chair (Mr. David Oraziotti):** Thank you. Mr. McNeely.

**Mr. Phil McNeely:** For Mr. Hsu: I like the part on the energy rating for houses. Of course, you make the important points of not dumbing down the system, not taking the blower-door test out of the checks. That's the cheapest and easiest to fix. You're right on the budget. The paybacks are one or two years. It's the cheapest energy we can get. Would you just like to expand on that a bit?

**Mr. Ted Hsu:** I just know from my own experience—I bought an old house and I had an energy audit done. I

know I spent very little money to fix the air leaks in my house, and that improved my EnerGuide rating, because I got the new rating after I did all my improvements. It was just so easy to do that. They're proposing to replace the blower-door test with some standard numbers based on, if your house is this old and this big, it must have a certain number of leaks. If you really measure what the leaks are, not only do you find out how much money you can save by fixing those leaks; you find out where the leaks are, because you can feel the air coming into your house. It's the cheapest way of making your house more energy-efficient, and we'd be really sad if that were excluded from home energy audits just to make it less expensive and more acceptable.

**Mr. Phil McNeely:** Thank you.

**The Chair (Mr. David Oraziotti):** Thank you. Mr. Yakabuski.

**Mr. John Yakabuski:** Thank you very much. A couple of questions, one on the nuclear: I'd like to ask how you would propose, given that nuclear does make up 50% of the power used in this province and about 40% of our capacity—less capacity than performance because it's very reliable—that we make that up in renewables. Wind you can only count on at a 20% reliability factor at best. How would we make that up if we were to phase out nuclear?

**Sister Bridget Doherty:** The first thing: We have to really closely look at our demand. First of all, we're assuming that demand will grow, but we haven't done anything—

**Mr. John Yakabuski:** It always has.

**Sister Bridget Doherty:** —about conservation. We have done very little. In fact, Ontario uses a lot more than even our neighbour to the south, New York state. If this energy act does look at conservation very seriously, we can reduce demand. That's the first factor.

Ted, you wanted to—

**Mr. Ted Hsu:** The other thing I would say is that I'm not proposing to get rid of nuclear energy tomorrow. I realize that it provides 50% of our electricity in Ontario. I guess what I would say is, give renewable energy a chance. See what it can do. We haven't really made a serious effort to implement renewable energy in Ontario. There are a lot of technological developments coming online.

We were talking about wind turbines. You can combine wind with hydro so that hydro makes up the difference when the wind is not blowing. You could consider importing hydroelectricity from Quebec to make up the difference when the wind is not blowing or the sun is not shining. Give renewable energy and energy conservation a chance. Push back nuclear a couple of years. Let renewable energy and energy conservation grow, and maybe you will find you can push the big investments in nuclear back a couple of more years. See what happens. Don't cap renewable energy. Don't think that you can't save a lot of energy by conserving or from efficiencies. Let's see what we can do. Let's push, and maybe we can surprise ourselves.

**The Chair (Mr. David Oraziotti):** Thank you very much. That's time for your presentation.

**CANADIAN OWNERS  
AND PILOTS ASSOCIATION**

**The Chair (Mr. David Oraziotti):** Our next presentation: Canadian Owners and Pilots Association.

Good morning, and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation, five for questions. Just state your name for the purposes of our recording Hansard, and you can begin your presentation.

**Mr. Kevin Psutka:** Good morning, and thank you. My name is Kevin Psutka. I'm with the Canadian Owners and Pilots Association here in Ottawa, but we have representation across the country. In my comments, I'm going to be speaking from notes that I have given to you. The whole presentation is there.

**0930**

I represent 18,000 people who use small aircraft for personal travel and recreation in Canada. At the outset, I would like to emphasize that our association is in favour of encouraging the development of green energy projects. However, legislation that makes this so should include safeguards that protect safety, the economy and the social aspects that we enjoy in Canada. The proposed act does not currently include a method to ensure that aerodromes are adequately protected in the siting of wind energy projects. The sweeping provisions of the act to override other agreements or provisions for wind turbine placement would therefore have safety and loss-of-use implications for many landing facilities in Ontario.

Ontario's system of aerodromes—certified, registered and non-registered—represents a significant factor in the economic and social fabric of the province. Many aerodromes are operated to support and enhance businesses and also to provide emergency, policing and medical support services. They also serve to promote and encourage many recreational and personal aviation activities. There are 32,000 aircraft and 60,000 pilots in Canada. Many of these aircraft and pilots visit Ontario in the course of their business and personal travel by aircraft. There are more than 9,600 aircraft and 23,000 pilots located in Ontario, who operate regularly out of several hundred aerodromes in carrying out these activities.

Safety and usability issues are created in two ways by location of wind turbines near an aerodrome. Wind turbines present an obstruction hazard when located in the approach and departure paths of a runway. Also, wind turbine blades create wake vortex turbulence which is hazardous to smaller aircraft that may pass behind an operating turbine during low-level manoeuvring for takeoff, landing and in circuit of an aerodrome. Therefore, it's important that approach and departure paths, as well as the circuit pattern around aerodromes, be free from the hazard in order that these aerodromes can continue to be safely used.

In order to appreciate our concern, it's useful to understand the extent of the aerodrome infrastructure system in

the province. There are 73 aerodromes in the province that are classified as airports by Transport Canada. Airports are aerodromes that have been granted an airport certificate by the federal Minister of Transport when they meet the requirements of Transport Canada's document TP 312, including the standards for obstacle limitation services—and I've included a figure there just to give you one indication of how they determine safe areas around airports for obstruction clearances. Of these 73 airports, 34 have registered zoning in effect, restricting the land in the vicinity of the airport from obstructions that would protrude into the defined airspace. This zoning has been enacted in accordance with the provisions of the federal Aeronautics Act to ensure that the airspace in the vicinity of the airports remains clear of obstructions. We trust that the Green Energy Act is not intended to interfere with the registered zoning protection under federal law.

The remaining 39 airports have no registered zoning protection. In addition, there are 71 certified heliports in the province, of which 63 are at hospitals, where they provide critical augmentation to the health care system in Ontario. Any penetration of certain airspace in the vicinity of these airports and heliports would affect the certification status and, consequently, loss of its utility.

Many of these 73 airports and several of the heliports, plus an additional 60 aerodromes in Ontario have published instrument approaches to improve the aerodromes usability in poor weather to, for example, deliver a critical care patient to a specialized care facility. A primary factor in the design of these approaches is the required obstacle clearance, the parameters of which are spelled out in a Transport Canada document, TP 308.

These parameters govern the minimum descent altitudes for aircraft in poor weather conditions and therefore the usability of an airport or an aerodrome. The instrument approach procedures are managed by NAV Canada, but there is no protection in law for these approach procedures. If there is a penetration of the so-called protected surface, NAV Canada can only cancel an approach or raise the aircraft descent limit, thereby effectively reducing the usability of the aerodrome. The economic and social implications should be carefully examined whenever the location of a wind turbine is being considered.

Finally, there are hundreds of aerodromes, some registered, which means recognized officially by Transport Canada and listed in the Canada Flight Supplement, and some unregistered and largely unknown to Transport Canada, but known to those who use them for personal travel and recreation. Many of the properties on which these aerodromes are located were purchased for the express purpose of developing an aerodrome for personal enjoyment and travel. An inappropriately located wind turbine may result in the loss of use of that property for aviation purposes, and this should be taken into account when planning for wind turbine locations.

TP 312 and TP 308 address obstacle clearance requirements and were developed before wind turbines were a

factor in aviation safety. The additional safety issue that is unique to wind turbines is wake vortex turbulence. The downwind effects of turbulence are not well understood but the effects are more pronounced for small aircraft than larger ones. There is no clear guidance regarding how far wind turbines should be located from an aerodrome, but figure 2 of my presentation illustrates that turbulence is a factor. The photo is from the North Sea, where the turbulence generated from wind turbines stirred up the moist air near the surface of the ocean and created clouds that travelled well downwind.

With respect to the role of Transport Canada in this issue, for aerodromes that do not have zoning protection in place, Transport Canada is powerless to prevent a wind turbine from interfering with aviation. On the other hand, if a wind turbine will create a safety hazard, Transport Canada will take steps to restrict or even prohibit aviation operations. For certified and registered aerodromes, particularly those with instrument approaches, Transport Canada could have no choice but to shut them down or severely restrict their usability. This would have a significant economic and social impact for the communities and individual property owners involved.

To date, some townships and municipalities have recognized the importance of considering aviation issues and have written setbacks and other considerations into planning and other documents. The proposed act would nullify these provisions and pave the way for ignoring economic, safety and social implications.

We believe that the existing aerodrome system represents a tremendous economic and social benefit to all the people of this province and should therefore be adequately protected against aerodrome safety and usability issues. Our experience indicates that no single standard in terms of distance away from the aerodrome is appropriate. The safe distance is dependent on the type and classification of aerodrome, the types of aircraft and flight missions operated, and the requirements for local flight procedures to be compatible with the local community—for example, for minimizing noise.

We believe that a provision should be made in the proposed Green Energy Act to require that an aeronautical evaluation be undertaken by a wind turbine proponent in all cases to ensure that all aviation facilities are identified and the potential risks and impacts on aviation facilities are analyzed so that potential adverse effects from the development can be mitigated. This would ensure that aviation safety hazards are eliminated or minimized and that aerodromes can continue to serve the people of Ontario for many years to come.

On behalf of the thousands who engage in aviation as a career, business and recreation, we urge you to amend the act to address our concerns. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Ms. Broten?

**Ms. Laurel C. Broten:** First of all, let me confirm to you that there's nothing in the Green Energy Act that would override the Aeronautics Act with respect to the registered zoning protection. In that light, I have two

questions for you. The first is whether or not there's anything preventing those who have no registered zoning protection from receiving such protection and whether that may be a potential solution to the issues that you raised.

The second question is whether or not, in jurisdictions such as Europe or in the US, where we've seen turbines on a larger scale being developed a number of years ahead of us, there are any models in those jurisdictions with respect to the protection of flight zones and aeronautical zones.

**Mr. Kevin Psutka:** Yes. The answer to the first question is that the criteria that are involved in taking advantage of the zoning regulations are very strict on which airports can qualify for them. Obviously, the large airports like Toronto, Montreal, London and even the Pickering lands that have been set aside for a new airport do have that zoning protection in place. But many of the smaller regional airports and certainly the unregistered and registered aerodromes do not qualify and will not qualify for that zoning protection, so it has to be by some other method.

Regarding other jurisdictions and the way that they've dealt with this issue, we are aware that in several states in the United States they have written into their development policy for wind turbine projects setbacks from airports and other known aviation activities, and I'm not familiar with Europe.

0940

**The Chair (Mr. David Oraziotti):** Thank you; that's time. Ms. MacLeod?

**Ms. Lisa MacLeod:** I appreciate the opportunity to question you.

Recently, I had the pleasure of doing a flight with my federal member of Parliament over my riding. My riding is home to several farms, and some are considering wind farms. We're also home to some airports and a flying school. I had an opportunity to see exactly what you're talking about. I think it's quite a serious issue. I just want to confirm with you, because I understand, with your last provision in your presentation, that you believe that the act should be amended to include aeronautical evaluations to be undertaken when a wind farm is put in place, and also to ensure that there are specific setbacks for aerodromes. I support that, and having had the opportunity to undertake a flight with the Ottawa flying school in my community, I think that that is needed.

I just wanted to know if you had any further comments on how it would impact the city of Ottawa, based on the airport, the flying school and certainly our military flying in and out of a very rural area, where the government may come in and supersede any municipal planning to put forward a wind turbine.

**Mr. Kevin Psutka:** Well, thank you, and I'm glad you enjoyed the flight that you had that day.

**Ms. Lisa MacLeod:** I did. I'm still here, and there are no by-election calls, so it was good.

**Mr. Kevin Psutka:** Well, that's good.

There wouldn't be any impact on Ottawa airport because it has the zoning protection, but there are a number of other airports and aerodromes around the Ottawa area where several activities are taking place, including recreation, that could be affected by any desire to put up wind turbines to take advantage of the winds in the Ottawa area, so it's very important.

At the present time, it's being considered in a piecemeal fashion. Some of the wind generator proponents—companies involved—do, as a matter of course, try to find all the airstrips that are in the area, try to meet with the people involved and try to come up with mitigations. In fact, they hire consultants to help them do that. One of our directors is one of those consultants who do this kind of work. But it's a hit-and-miss sort of thing.

In one of the townships in southern Ontario, they did in fact put words into their planning documents that any wind farm that would go up would have a setback of four kilometres for airports, as a result of the study that was done in that particular area.

But my concern is, first of all, that it is piecemeal, and we're out there fighting little battles all over the place because there is no direction for it, but second, and most important, this Green Energy Act would wipe out all that work that has been done in those jurisdictions where they have taken the time to consider the aviation issues.

**The Chair (Mr. David Orazietti):** Thank you, sir. That's time.

**Mr. Peter Tabuns:** Thanks very much for the presentation and for putting together the information.

Has anyone done an overall study indicating how many sites of conflict there may be in Ontario?

**Mr. Kevin Psutka:** Not specifically, no. Each time a proponent came up with a development, like the ones that are north of Orangeville, we did get involved in looking at how many airports or aerodromes were in the area. In that particular case, there were, directly around where the wind farm was, 25 aerodromes that were affected by this.

**Mr. Peter Tabuns:** Really?

**Mr. Kevin Psutka:** Yes.

**Mr. Peter Tabuns:** That's a lot.

**Mr. Kevin Psutka:** And unfortunately, in that particular case, they didn't come to consider those aerodromes until they were well down the selection process. They actually had the site selected. They were in negotiation with the farmers for the placement of them, and then somebody said, "Oh, there are some aerodromes there. Maybe we should consider this." We'd like that to be upfront so there's not a lot of wasting of time.

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

**The Chair (Mr. David Orazietti):** Thank you very much for your presentation. That's time.

**Mr. Kevin Psutka:** Thank you for your time.

#### NET-ZERO ENERGY HOME COALITION

**The Chair (Mr. David Orazietti):** The next presentation is Net-Zero Energy Home Coalition.

Good morning. Welcome to the Standing Committee on General Government. You have 10 minutes for your

presentation and five for questions from committee members. Just state your name for the recording purposes of Hansard, and you can begin your presentation.

**Mr. Gordon Shields:** My name is Gordon Shields. Before I begin, I just want to indicate that you have several slides that have been compressed on a few sheets of paper. It's just to help illustrate a bit of what I'm trying to discuss in this very short period of time. We can refer back to them, if you wish, during the questions, if there are some. If there are further follow-ups, we'd be happy to help you on an individual basis as well.

Good morning. It's a pleasure to be here today on behalf of the Net-Zero Energy Home Coalition. My name is Gordon Shields. I'm the executive director of the coalition. The coalition was formed in 2004 and has been working with the various levels of government in an effort to raise awareness and encourage support for the development and deployment of net-zero energy homes in Canada. We represent a cross-section of stakeholders primarily involved in the new residential construction sector. Our organization has become the leading voice on the advancement of net-zero energy homes across Canada. We have held multiple workshops and forums domestically and internationally, which has culminated in a proposed blueprint framework strategy for deployment of net-zero energy homes. Some of that is articulated in the slides.

When we initially began our efforts, the question was, "What is a net-zero energy home, and why support this style of home versus just promoting our existing efforts behind R-2000 homes or even Energy Star labels?" The most important aspect of a net-zero energy home is the ability to produce, at a minimum, an annual output of renewable energy that is equal to the total amount of its annual and consumed purchased energy from utilities. On the green building continuum, it's a transformative step forward that is happening in other countries and is slowly taking root here in Canada. Most importantly, a net-zero energy home is grid-tied. This allows for the home, and ultimately the consumer, to integrate and become part of the energy mix solution, enabling both a culture of conservation and a transformation in the way homes are built and interact within our energy systems across Canada. Indeed, the net-zero energy home represents the potential for a paradigm shift in the design of energy policy and its interrelationship with Ontario and Canadian homeowners alike—not just homeowners as consumers, but also as energy producers.

While this step forward is taking time to take root in Canada, the Green Energy Act is an important enabler. However, the Green Energy Act alone will not satisfy all that's required to effectively integrate Ontario homeowners into a sustainable energy mix solution for the future if attention is not given to accelerating larger partnerships on initiatives that enable zero- and low-interest mortgages, capacity-building, education within the home builders' sector, and education within the consumer and realty sectors.

I urge committee members not to overlook the important work happening at the federal level. The Green

Energy Act can be leveraged with the progress that is being made with our coalition and the federal government. There must be more coordination among jurisdictions that are working in the same direction. With our coalition's assistance, Canada now has 15 demonstration net-zero energy homes, two of which are in Ontario. There is currently a technology road map on sustainable housing under way, which is aimed at addressing barriers and opportunities for improving the design and integration of net-zero energy home principles and other issues, such as waste, water conservation, affordability and others. Finally, in our coalition's work with the Asia-Pacific Partnership on Clean Development and Climate, Canada is establishing itself as an emerging leader in this area and leveraging the work of our coalition in an effort to build wider public sector and, most importantly, private sector participation toward innovation, technology exchange and demonstrations.

The coalition notes that the Green Energy Act intends to make energy efficiency a key purpose of Ontario's building code. We applaud this and agree that it is an important step forward, but what is equally important is the need to advance a building code that inspires not just conservation, but also production. For too long, governments have directed most of their policy and regulatory attention on climate change toward industry—large final emitters, for some who know this. This is only half the problem. The other half is the built environment—and when it comes to our residential sector, it represents 16% of our greenhouse gases and 17% of our secondary energy use in Canada. If we're truly to find a balanced and holistic approach to climate change, then more attention must be directed to expanding net-zero energy housing, and the Green Energy Act can help do this.

In this very brief summary, I've outlined some positive aspects of the Green Energy Act and its potential for helping advance deployment of net-zero energy homes in Ontario. However, the fact remains that a significant policy gap continues in the way we deliver programming for the residential sector. In particular, there is no program for new residential construction that helps transform our industry toward this next generation of housing. Such a program is important, as well as the need to support visible community-scale demonstrations that help address economies of scale and the learning curve associated with the design and integration at the builder and developer level.

The Green Energy Act helps address several barriers to the deployment of renewable energy integration. However, it can be further improved by applying a vision that ensures market penetration of not just renewable energy but a transformation in the way we build and see our homes in the future.

#### 0950

In conclusion, governments are doing good work on improving the energy efficiency of our current building stock. However, if we don't start turning more attention to new construction and developing a pathway to the principles of net-zero energy housing, then we will be

continuously trying to correct the mistakes of the past. The glass is not half empty, but surely there is more to do. I look forward to answering any questions you might have.

**The Chair (Mr. David Orazietti):** Thank you very much for your presentation. Ms. MacLeod, questions?

**Ms. Lisa MacLeod:** Welcome, Mr. Shields. Are you from Nepean–Carleton?

**Mr. Gordon Shields:** Indeed I am, Lisa. How are you?

**Ms. Lisa MacLeod:** You're the federal Liberal president for the Nepean–Carleton Liberals. I was sure—I've not met you yet. Welcome to our committee. I'm just subbing in here today.

I do have a few quick questions for you. One is with respect to real property. The act allows the minister to essentially overrule real property title insurance. This has several people in the title insurance industry—my critic area is consumer protection—and so it has a lot of realtors concerned as well. I'm wondering if you have any comments on that section of the legislation as it would pertain to your line of work.

The other is the increase that we're probably going to see as a result of this piece of legislation. London Economics has done an evaluation and has suggested that energy bills could increase by as much as 30%.

In our community, we have a small independent grocer, Ken Ross. He spends about \$30,000 a month on hydro. When I talked to him about the potential increase of 30% on his existing hydro bill, coupled with several other economic policies that he's going to be confronted with in the next year, he was very concerned.

So I would ask you, then, on the question of real property, and the overrule that the minister would have, as well as the increase in energy bills, how you think that would impact your line of work, but also any recommendations you may have for this committee so we may move forward.

And it is a pleasure to finally meet you and put a face to a name. So, welcome.

**Mr. Gordon Shields:** Thank you, Lisa. I'll start with the latter question. Energy prices: This is inherently a challenge in any nation, in any communities that want to pursue renewable energy deployment. At the end of the day, energy prices are expected to rise. How fast they rise as a result of particular programs from governments and the promotion of renewable energy in that: I can only say to you that the faster we find solutions that help homeowners lower their operating costs, the more effective ways you're going to be able to offer solutions to consumers to integrate these kinds of choices into their homes, and indeed for businesses to integrate this into their regular business activities.

Operating costs are the biggest challenge. Energy prices are going to continue to rise. We're seeing a low in the price only because of a global economic turnaround. Those prices will probably return upward very shortly.

With that in mind, if we assume that we can't move forward on promoting renewable energy or the integra-

tion of renewable energy into the built environment simply because it might increase the cost of prices overall for everybody who is using this source of energy, I think that's a short-term vision. I think the longer-term vision is, how do we improve the energy mix in our country and, in this case, in Ontario to a cleaner source?

**The Chair (Mr. David Oraziotti):** On that point, I'm going to have to stop you. That's time. Mr. Tabuns.

**Mr. Gordon Shields:** I didn't know that. Sorry. Just for my reference, it's a short—

**The Chair (Mr. David Oraziotti):** Five minutes, and we're trying to get through all the members.

**Mr. Gordon Shields:** Okay, very good. Sorry. My apologies.

**The Chair (Mr. David Oraziotti):** It's okay.

**Mr. Peter Tabuns:** Good morning, Gordon. Thanks very much for the presentation.

There are other countries that have requirements in their building codes that house incorporate renewable energy into any new construction. Do those codes also require a particular orientation toward the sun? Do they protect access to sunlight so that any new home isn't denied access to that energy source?

**Mr. Gordon Shields:** I can't offer you specific examples. There are some jurisdictions, I'm advised, where they have right-of-access or right-to-solar legislation in place.

What I can suggest to you is that it's not necessarily the need to implement laws or even regulations. Most importantly, it's education. We have builders who are very good in this city alone, and across the country. We have a reputation internationally for great builders. It's a question of how we educate the developers and the builders alike to better design those communities that meet the future goals of the communities at large on a clean-energy path, on a path to sustainable housing, ultimately.

Regulation could help, but ultimately the biggest challenge is education. How do you bring synchronicity with education and also a market reality for the builders so they can sell that product and not have it costlier for them and be less competitive with their competitor who is across the street from them? I think codes and regulations help, but I wouldn't say that's the first step we should only move toward.

**The Chair (Mr. David Oraziotti):** I'm sorry, that's time. Ms. Broten.

**Ms. Laurel C. Broten:** Just picking up on your last comment with respect to market reality, a number of home builders will say to us, "We could undertake those measures but, ultimately, when a young couple is looking at purchasing their first home or a couple is looking at purchasing a home later in life, the price point is really their determining factor in many respects." What's your best advice on how you get around that? I suspect you'll say "education," but what are other elements of how you can incentivize a purchaser to look to those energy efficiencies that have a long payback?

**Mr. Gordon Shields:** I think the emphasis should be taken away from payback. We don't have a payback on

our pool that we install or the granite countertops we install in our house. You're not looking for a payback; you look for that because you want that in your house. It's the return on investment of, in one year, improving your environmental footprint, so a return on investment that you're integrating with the energy mix. You're indeed part of the energy solution in your province, region or community. It's the return on investment, the value added to the house that will come with that if indeed the house is sold in the future. It's the return on investment, not the payback. If we get around the payback question or put less emphasis on that, I think it'll be easier to inspire consumers to purchase these homes for the future.

**Ms. Laurel C. Broten:** Thanks very much.

**The Chair (Mr. David Oraziotti):** Thank you. That's time. We appreciate your presentation this morning.

#### CANADIAN RENEWABLE ENERGY ALLIANCE

**The Chair (Mr. David Oraziotti):** Our next presentation is the Canadian Renewable Energy Alliance.

Good morning, sir. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions from members. Just state your name for the purposes of our recording Hansard, and you can begin right away.

**Mr. Roger Peters:** Thank you very much. Good morning. My name is Roger Peters. I'm the national secretary of the Canadian Renewable Energy Alliance, an alliance of non-government organizations across Canada, from BC to Newfoundland, that is working toward and supporting a global transition to renewable energy and energy conservation.

I would like, first of all, to commend the government of Ontario for the introduction of the Green Energy Act. I think it truly is a major step forward. The use of long-term, secure feed-in tariff pricing and priority connection from renewable power sources makes Ontario a leader not only in Canada but also in North America. If Bill 150 passes and its regulations are fully implemented, Ontario stands to benefit from the establishment of new, renewable power industries and jobs, stable power prices, revitalized communities and reductions in greenhouse gas emissions. As previous speakers mentioned, the price of energy is going to go up anyway. We need to make sure that it's stable and to reduce the demand as much as possible.

We have a few minor changes that we're proposing for the feed-in tariff structure, which I'll get to later on. There is a written submission, which I think you have in front of you, that we've brought in and that I'll speak from today. Bill 150 also proposes to foster a culture of conservation in the use of electricity, gas and other resources. The Green Energy Act provides significant powers to the Minister of Energy and Infrastructure to encourage conservation and to finance conservation programs. It makes energy efficiency mandatory as part

of the building code and requires audits at the time of sale of buildings. These are very significant steps forward. However, it still places Ontario behind leading North American provinces and states such as Manitoba, California and New York state, which we heard about earlier. Without the establishment of a dedicated agency to manage conservation programs and a specific mandate to procure all cost-effective conservation through a permanent funding mechanism, we think many opportunities for conservation will be missed and Ontario will not meet its climate change or economic goals.

I'd like to cover three areas, starting with the establishment of a dedicated agency of conservation, and then moving on to the feed-in tariff structure and the support for community ownership. Leading North American jurisdictions in conservation and efficiency, like the ones I just mentioned, have three key features in their programming or policies which are missing from Bill 150. The first is a dedicated agency to coordinate and manage conservation, second is a permanent and equitable funding mechanism for funding conservation programs, and third is a mandate to procure all cost-effective conservation before acquiring supply. We believe that these features should be incorporated into Bill 150 in order to reach our goals. It also makes sure that conservation programs are available all across the province and not just in areas where local distribution companies have good programs.

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First of all, looking at a new energy agency: The elimination of the conservation bureau at the power authority, which is part of Bill 150, leaves a huge gap in the promotion of conservation in Ontario. Providing new powers to the ministry is very important, but we think this should be accompanied by a new body to fill the vacuum.

As I mentioned earlier, without such an entity, and this is a very important point, there's a danger that Ontario's energy conservation program will consist of a patchwork of programs offered by distribution companies, with cost-effective opportunities lost in many sectors and regions. So we're suggesting a new addition to the Ministry of Energy and Infrastructure provisions in the act. The unit would become a private agent for planning and setting targets in coordination conservation programs.

In terms of financing, there are provisions in the act for the Ministry of Energy to collect through the Ontario Energy Board funds for the administration and financing of energy-efficiency programs. At the moment the provisions provide more of a kind of ad hoc, when-required type of approach to financing. We think this should be replaced with something like a public benefits charge where there is a small fee on every kilowatt hour and cubic metre sold. This is very common in the US and it has led to very good permanent funding of energy conservation programs. So we suggest that the act be amended to include that in place of the ad hoc provisions there now. These are very good provisions in the act, but they just need to be made more permanent and effective.

In terms of cost-effective conservation, we think that right now the act allows the ministry to make directives to utilities to run conservation programs. We think that this, again, should be replaced with a more general acquisition for all cost-effective conservation. This would make it a lot clearer for utilities defining cost-effectiveness as being less than supply, assuming consideration also of the environmental and social costs of supply. This would be, I think, a clearer mandate to utilities.

Those are the three areas in the conservation area that we think could be added. I think, in terms of the act, the conservation side is the weaker of the two. As I mentioned earlier, the feed-in tariff and renewable side makes Ontario a leader in North America.

There are a couple of things that we think could be added to the feed-in tariffs structure. One would be making the feed-in tariffs the primary procurement structure for power in Ontario. In this case we suggest that, instead of the term "may," the term "shall" should be used in the act for procuring renewable energy.

The other is to include natural resource intensity, in other words the variation of power intensity of, say, wind and solar and others in different parts of the province. This is a system that's used very clearly in Europe.

The third is to make sure that we do take note of new technologies. As we heard earlier, wind on its own is an intermittent resource. If you couple that with storage or link it with electric vehicles or with hydro or with some of the new battery technologies that are available, it ceases to be an intermittent source and becomes a time-varying resource that can meet peak demand. We want to make sure that all of the structures in the act allow for this technology to come down in the future and be used in the future. So we definitely need that.

The last point I'd like to make, as was made earlier by, I think, the first speaker today, Peter Hume, is that we do need to look at encouraging community ownership of renewable energy sources as well as their operation. I think there's a huge opportunity there, and this is what has brought forward a lot more deployment in both Denmark and Germany, for example, in terms of community ownership of renewable energy.

Those are the three areas that I think we're recommending: the dedicated agency and funding mechanism for conservation, some fine adjustments to the feed-in tariff to make it more effective, and the encouragement of community ownership. Thank you very much, and I would welcome any questions.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Mr. Tabuns is first up.

**Mr. Peter Tabuns:** Thank you very much. I appreciate the work that has gone into this.

**The conservation agency:** Are there other jurisdictions that have a similar conservation agency and that have actually shown a very good track record on promoting conservation?

**Mr. Roger Peters:** Definitely, yes, in some cases, like the case of California with the California Energy Commission; with NYSERDA in New York state; with Effi-

ciency Vermont; with Efficiency New Brunswick, which is a new agency there that has done very well in the short time it has been in operation. In Wisconsin, they have an agency such as this; and in the province of Manitoba, Manitoba Hydro, which is a crown agency, is now being given total jurisdiction over all conservation programs in the province.

So the track record is very good. I think if you look at provinces or states without a central agency, then there's a significant difference.

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

**The Chair (Mr. David Oraziotti):** Thank you very much.

**Ms. Laurel C. Broten:** I want to ask you a question with respect to community power ownership. We heard in committee a couple of days ago from those that seek to establish co-operative ownership, and their submission to the committee was that local ownership was a challenge in terms of raising sufficient funds to move forward with projects locally. But what they suggested was that we should be willing to accept an alternate form of local community ownership, which was the community of co-operative owners who would not necessarily live in that community.

I wanted to raise that suggestion with you to get your feedback on whether you viewed that as another form of community ownership, because certainly it doesn't buy into the local deployment and local aspect of it if the co-operative owners are elsewhere.

**Mr. Roger Peters:** It depends on where those co-operative owners were. There are several examples. For example, in the city of Ottawa there are several city-owned facilities or community facilities that are run by community organizations, which are owned by the city, but they could have solar PV systems on them feeding into the grid, and they'd be owned by the community. There are various ownership options for that, either by the city itself or by the community association or by a co-operative like Sustainable Ottawa, which was set up just for this purpose.

So there are lots of models where there could be community ownership, and having the appropriate financing mechanisms in place for those co-ops and other ownership structures to borrow the money, as well as attract a few co-operative investors, would be a really good solution.

**Ms. Laurel C. Broten:** Thank you.

**The Chair (Mr. David Oraziotti):** Thank you. Mr. Yakabuski, questions?

**Mr. John Yakabuski:** Thank you very much for joining us this morning, Mr. Peters. You mentioned the European example a few times in your presentation, and you also talked about jobs. We know that in Denmark electricity is roughly about three times what it is here, and in Germany it's at least twice what it is here for homeowners. The price of electricity matters a lot, particularly to families and low-income seniors. I certainly want to know how you expect our low-income people and seniors and families to be able to absorb those kinds of electricity prices here.

Secondly, you talk about the jobs. The minister has pulled a figure out of the air and said, "Fifty thousand jobs over the next three years." Just to put that in perspective, before the meltdown, there were 38,000 people employed in the automotive manufacturing sector in this province as a total. There are 35,000 people currently employed in the total electricity generation and distribution system in the province of Ontario—all utilities: 35,000 people. Where would we ever come up with another 50,000 jobs with the limited amount—that the minister says when he wants to give one message—of actual penetration that we're going to have with this new renewable energy Green Energy Act? Maybe you could address the jobs issue and also the pricing issue.

**Mr. Roger Peters:** Well, in terms of the pricing issue, as several other speakers have mentioned it we're going to see increases in price no matter what. Whether there are policies to encourage renewable energy, whether it's use of natural gas or oil or nuclear, it's bound to increase prices. There's nothing we can do about that. We may not catch up to what the European prices are, but they're going to include—anyway, it makes it even more important, as we heard earlier, to reduce demand. If we can reduce demand at least as much as or more than the price of energy is going up—and 30% reduction in energy use is quite possible for all users. Effectively, you're compensating; it doesn't mean the bill goes up at all. I think we have to (a) make sure we have that energy efficiency being pushed to the greatest cost-effective extent and (b) accept that these prices are going to go up no matter what. We shouldn't single out renewable energy as being the thing that makes prices go up. They will go up anyway.

**1010**

On the job side, I'd like to give an example of what happened in Vermont with Efficiency Vermont. They've been going for a long time. They work very closely with industries all across Vermont on this very issue of energy pricing. Instead of companies throwing up their hands and saying, "If prices go up, we're just going to close down," they go to Efficiency Vermont and say, "Work with us to reduce our energy costs so that the price increase that's happening does not affect us." They've been very successful. There's a major furniture company that was established in Vermont for 100 years that was going to close down. It's still there mainly because Efficiency Vermont worked with them.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation, sir. That's all the time that we have.

#### OTTAWA REAL ESTATE BOARD

**The Chair (Mr. David Oraziotti):** Our next presentation is the Ottawa Real Estate Board. Good morning and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions from members. State your

name for the purposes of our recording Hansard, and you can begin your presentation.

**Ms. Linda McCallum:** My name is Linda McCallum. Thank you for the opportunity to present to this committee on the Green Energy Act, 2009. I'm the chairman of the government relations committee of the Ottawa Real Estate Board. Joining me today is Alison Larabie Chase, our communication officer.

A few words about who we are: The Ottawa Real Estate Board represents more than 2,400 members. These are real estate salespeople and brokers. The board was founded in 1921 to organize real estate activities and provide services and support to our members. The board also works to promote higher industry standards and preserve private property rights.

We are pleased to be here today to speak on Bill 150. Ottawa realtors are deeply concerned about subsection 2(1) of that bill, the requirement for mandatory home energy audits. The Ottawa Real Estate Board strongly believes that a mandatory home energy audit will impose unnecessary costs on homebuyers and sellers and will add an unnecessary barrier to home ownership. As such, Ottawa realtors oppose mandatory home energy audits, and we urge that this committee amend Bill 150 to make the energy audits voluntary. Our members support the government of Ontario's existing home energy audit program whereby home owners are offered rebates to voluntarily assess the energy efficiency of their home.

Much like other areas of the economy, Ottawa's real estate market is feeling the effects of the current recession. MLS sales for the Ottawa Real Estate Board are down 8.7% so far this year. Despite the enormous challenges facing our local economy, our members remain committed to helping people in the Ottawa area become home owners.

Let me give you some more specific reasons why Ottawa realtors oppose mandatory home energy audits. First, the government has indicated that mandatory home energy audits will apply only to single-family homes. This would place a disproportionate amount of the cost of going green on single-family homeowners.

Ontarians will benefit from a cleaner environment. If the government maintains that a cleaner environment is indeed a public good, then everyone in Ontario should pay, not just single-family homeowners.

Furthermore, mandatory home energy audit reports will have a serious cost implication for the home sellers. Those with less-than-ideal energy audit ratings will certainly face pressure from homebuyers to either spend thousands of dollars to improve the energy rating of their home or lower their asking price. This problem becomes even more apparent when you consider the age of some of the housing stock in Ottawa, particularly in some of the city's oldest areas like Centretown, Vanier, the Glebe, Old Ottawa South, the Civic Hospital area, Wellington Village, Westboro, Lower Town and Sandy Hill, just to name a few.

Seniors will also be disadvantaged by mandatory home energy audits. Many of Ottawa's seniors are

hoping to rely on the equity that they have built in their homes to help them finance their retirement. Mandatory home energy audits will force senior homeowners to either complete energy retrofits, at tremendous cost to their retirement savings, or lower the asking price of their home in order to compete with the newer, more efficient ones. Even if homeowners do reduce their asking prices as a result of a poor energy audit rating, there is no guarantee that the homebuyers will invest these savings in energy-efficient retrofits. In fact, a survey done in 2008 by the Canada Mortgage and Housing Corp. found that most home renovation dollars in Ontario are spent on cosmetic alterations and major repairs, and that only 5% of owners who renovated their homes that year did so to improve their energy efficiency.

Just as worrisome for Ottawa realtors is the impact that mandatory home energy audits will have on our local economy. Simply put, as a barrier to home ownership, mandatory home energy audits will act as a brake on the real estate market, which will in turn impact our struggling economy. On average, the sale of a home in Ontario generates an additional \$33,425 in benefits to the economy. In 2008, 13,733 homes were sold in the Ottawa area, generating nearly 460 million additional dollars in economic benefits to our local economy. At a time when large employers like Nortel are going under and consumer confidence is shaky, the government should encourage consumer investment in housing, not hinder it.

Supporters of the mandatory home energy audit argue that audits are required to provide homebuyers with all the necessary home energy information to make an informed buying decision. Realtors know that there is information already available to provide homebuyers with an overview of the energy efficiency of a home. For example, the most widely used method of informing homebuyers of the level of home energy consumption is utility bills, and these are available for free and upon request. They provide prospective homebuyers with a snapshot of the energy consumption of a home in real, measurable terms—the dollars and cents.

Furthermore, homebuyers can also turn to home inspectors for more detailed home energy information. Home inspectors check the condition of windows, doors, insulation, and heating and cooling systems, and they provide advice to prospective homebuyers on the state of those parts of the home that have a direct impact on its energy use. An energy auditor inspects many of the same aspects of a home as the home inspector does. To realtors, this represents unnecessary regulatory overlap and an unnecessary additional cost to homeowners.

In conclusion, Ottawa realtors oppose mandatory home energy audits. We oppose them because we believe they will have a negative effect on the Ottawa resale housing market as a whole. Members of the Ottawa Real Estate Board are, however, eager to work with the government of Ontario to continue to promote the existing voluntary home energy audit program. It is no secret that the majority of referrals for home inspections come from realtors. In a similar fashion, we can work with the

government of Ontario to promote voluntary home energy audits so that consumers can get as much information as they want about their next home purchase.

Once again, thank you for the opportunity to address this committee on a very important issue. We would be happy to now take any questions.

**1020**

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Government caucus, Mr. McNeely?

**Mr. Phil McNeely:** Thank you, Ms. McCallum, for the presentation. A member of the opposition mentioned that on the energy audit part of the bill—as recorded in Hansard—we should think “caveat emptor,” and I believe that means “buyer beware.” In arguing against the energy audits—and we’re talking about \$150, after the rebate from the provincial government. It’s a \$150 expenditure to know quite a bit about your home that would give a buyer and the seller important information on the energy costs of running the home—an important factor, and often as important, if you look long-term, as the cost of the home.

I think we all expect energy prices to increase worldwide—that is a natural thing—so the energy cost of homes is going to become more important all the time.

The energy audit can access retrofit rebates of up to \$10,000 from Canada and from Ontario. Canada believes it’s an important program. The energy audit was developed by the federal government.

So I’m just asking you that when it comes to selling a home, from the point of view of the seller and the buyer—and we heard about the door blower test identifying a lot of the problems with homes—do you feel that “buyer beware” is good enough?

**Ms. Linda McCallum:** No, I definitely don’t. I am a working, licensed salesperson. I have been a realtor for all of my life. I believe that we have enough in place already so that buyers are not dealing with that “buyer beware” scenario.

We do request, and we do receive, the bills—hydro, water, gas—from every homeowner, and we pass that information along.

We do have home inspectors who are really well qualified. Home inspectors were unheard of in the mid-1980s. It’s the real estate industry that brought home inspectors to the forefront, where they are today, because we really believed in protecting the consumers, both the buyers and the sellers.

The energy audit program that’s being presented here is almost like an overkill to me. The average buyer is going to hire a home inspector. That home inspector is going to check all the mechanics of the house. We’re going to have all the bills in place. So we’re really going to have a good snapshot of how energy-efficient that house is already. If the seller is—

**The Chair (Mr. David Oraziotti):** Thank you. That’s the time for questions for the government caucus. Ms. MacLeod.

**Ms. Lisa MacLeod:** Welcome. It’s great to have you here today. I want to congratulate the Ontario Real Estate Association, which I know you’re probably a member of, for being great advocates. They’ve met several times with me as the consumer critic and with my colleague who is our energy critic.

There are several pieces of this legislation that will negatively impact your industry. One is the energy audit. You rightly point out that it does not do much for energy conservation because people can either proceed or not. It will also skew the market. In an area like mine, which is the fast-growing communities of Barrhaven and Riverside South and Greely, it’s going to be a real detriment to homebuyers in my community, who are also going to be hit with the HST, which is going to impact your business.

I have a question on real property. In section 4(2) of the Green Energy Act, “A person is permitted to undertake activities with respect to a designated renewable energy project or a designated renewable energy source in such circumstances as may be prescribed, despite any restriction imposed at law that would otherwise prevent or restrict the activity, including a restriction established by a municipal bylaw, a condominium bylaw, an encumbrance on real property or an agreement.”

When I spoke with OREA, as well as title insurance of Canada, there were several concerns there, based on the fact that if there are two people entering into an agreement, the government may, as a result of this legislation, override that agreement. That will severely impact those homeowners who are either selling or buying a home when they work with you. I’m wondering if you have any sense on how that will impact this region, but also any recommendations you may have with respect to what I consider a very dangerous and slippery slope in this legislation in section 4(2).

**Ms. Linda McCallum:** I think that in a lot of ways, regardless of what we try to make mandatory, whether it be the energy bill or the new tax system, all of it is a very slippery slope because we start to infringe on people’s rights; and once you start to infringe on people’s rights, they become very, very unhappy.

**Ms. Lisa MacLeod:** I want to thank you for everything that you’ve done for your region. I know that every one of my colleagues has received a letter from every single realtor in the riding.

**The Chair (Mr. David Oraziotti):** Thank you, Ms. MacLeod. That’s time for questions. Mr. Tabuns.

**Mr. Peter Tabuns:** Thanks very much for the presentation and for being here today. I’m trying to reconcile some things here. You said just now that in fact most buyers will know how energy-efficient the homes are because they have the bills and they have a snapshot. So why would an energy audit depress the value of the home if what they see from the bills will simply be confirmed by the audit?

**Ms. Linda McCallum:** I think it’s the process that I object to. If you have the seller do the energy audit, the buyer cannot rely on that as a third party if you want to access any of the grants that are available. The buyer

doesn't own the home; the report wasn't done for the buyer. So then you need to have the second energy audit done when the buyer owns the home so that they can then make the improvements, apply for the grant and have the third energy audit done. So in actual fact, what this is doing is setting the standard for every home to end up with three energy audits done on it, not one.

**Mr. Peter Tabuns:** I can see where there may be a bureaucratic problem, and my hope would be that the government would address that, if that is indeed the issue. But then, in fact, there is no depression of the value of the homes. That's not really a problem.

**Ms. Linda McCallum:** No—

**Mr. Peter Tabuns:** No, there wouldn't be a loss in the value of the home.

**Ms. Linda McCallum:** Well, there would be—

**Mr. Peter Tabuns:** Why? Because—

**Ms. Linda McCallum:** —depending on people's perception.

**Mr. Peter Tabuns:** But if they already know what the energy efficiency is from looking at the bills, then the audit is not going to change that reality, unless you're telling me the audit will show a dramatically different picture from what the bills show.

**Ms. Linda McCallum:** It certainly can, because the bills also apply to lifestyle. The energy audit—

**Mr. Peter Tabuns:** So the bills don't actually say, then, what the energy efficiency is?

**Ms. Linda McCallum:** It's a good measure and the home inspector gives the best measure because he checks all those things. But let's face it: If it's a family of five with three kids in diapers, the energy usage is going to be higher in that home than the career couple that are out from 8 until 6. It's just a measure. But I believe that this mandatory energy audit, like everything else, is going to have some subjectivity about it. Today the average buyer knows that if they're buying a 100-year-old home in the Glebe that has beautiful leaded windows, they are not energy-efficient. It's a no-brainer.

**The Chair (Mr. David Oraziotti):** Thank you very much for your comments. That's time for questions. Thank you very much for your presentation.

**Ms. Linda McCallum:** Thank you very much.

#### GLENGARRY FEDERATION OF AGRICULTURE

**The Chair (Mr. David Oraziotti):** Our next presentation is the Ontario Federation of Agriculture.

I also just want to remind members that in the questions, you'll have a minute and a half or so, and if you use that time up, the presenter will not have an opportunity to respond.

Good morning, and thanks for being here today. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five for questions. Just state your name for the purposes of our recording Hansard, and you can begin your presentation.

**Ms. Wendy Beswick:** Good morning. I'm actually with the Glengarry Federation of Agriculture. It belongs to the Ontario Federation of Agriculture, but I would like to specify that I'm actually representing Glengarry farmers and not Ontario farmers.

Let me be perfectly clear: We in the Glengarry Federation of Agriculture are not against the production of green energy. As a matter of fact, we recognize the importance of environmental protection for future generations. As farmers, we are one of the earliest of conservationists. Our concern for the environment is authentic. We not only talk the environmental talk, but we walk the conservation walk.

Let me be perfectly clear again: We take our responsibility of environmental stewardship extremely seriously. Farmers have a lot to offer and a stewardship ethic that is true. Farmers have always acted as land stewards and provided environmental services to society, quite often at the expense of food production. Prime farmland is coming under more and more pressure every year. There's urban encroachment, with the resulting land price increases that have made it extremely attractive for farmers to develop their land rather than farm it. Society needs to take as much energy to protect our prime farmland as we do any other endangered species, because it truly is an endangered species.

#### 1030

It is imperative for the government to understand agriculture and its issues. Farm income crisis, landowner protests and commodity pricing issues are often tied to government policies—policies that make sense in the office towers of Toronto but that wreak havoc in rural communities. Yes, Toronto legislators think that it makes great sense to create a greenbelt to halt urbanization, but the reality is that urbanization jumps the greenbelt and continues on while the land prices in the greenbelt plummet. There are a thousand other examples of policies and their consequences. Policies regarding the environment, taxes, animal welfare and land use all have a direct impact on farm operations and, by extension, on everyday Canadians. It is nearly impossible for the average person to be knowledgeable on all the issues behind every agricultural issue.

Food production and energy production have become increasingly linked together. The challenge for all society—farmers, landowners, politicians, conservationists as well as the urban public—is to balance the need to produce food with the need to produce energy. And for this reason, the Glengarry Federation of Agriculture strongly recommends that the government reassess the proposed policy regarding green energy. We must get it right, and the needs of agriculture must be weighed. The production of food for society must not be compromised.

This proposed act limits where green energy projects may be located. For example, it states that projects should not be located in or cause adverse effects upon critical habitats of endangered or threatened species; provincially significant wetlands, valleys or woodlands; wildlife habitat; sites of cultural heritage or archaeo-

logical value—and this list goes on. It is this elimination of available property that eventually leaves only prime farmland available for major green energy projects.

The Glengarry Federation of Agriculture believes that the green movement has not utilized agriculture as fully as it should. Agriculture should be front and centre in the green energy movement. We firmly believe that agriculture has the ability to produce both energy and food, without either suffering. Even small farms can be used to supply energy to themselves and to neighbours. However, we do not want to see the indiscriminate use of farmland for energy production. We must allocate where we put it. Prime farmland needs to be preserved if we are to be able to produce food as well.

We believe that financial constraints are the biggest obstacle facing farmers in the development of agricultural green energy. We are strong advocates of placing solar panels on buildings, especially large barns, and utilizing manure pits for energy production as well. We believe that the government is not looking at green energy production as comprehensively as it should. The government, in its desire to appear proactive and environmentally righteous, has chosen to balance green energy against other legislation such as the Endangered Species Act and the Clean Water Act. It does not have to be either/or. If green energy such as solar farms can be put on prime farmland without any adverse effect to that land, then there is no reason why it would have any effect on so-called sensitive lands. To the contrary, locating solar farms along wildlife corridors may actually encourage farmers to establish these corridors. Abandoned rail lines that have been turned into hiking trails could also be utilized for solar production, since they are quite often close to hydro grids. These are but a few alternatives to prime farmland that should be considered when planning green energy sites.

The Glengarry Federation of Agriculture requests that the government consider marginal farmland as a preferred option for green energy sites rather than prime farmland. These marginal lands are often pasture now, and solar energy would complement this application.

The present focus of green energy and environmental issues needs to be balanced with the conversation on food sovereignty. There needs to be a frank, open discussion held with all Ontarians to develop a long-term, comprehensive food policy that ensures a safe, secure food supply as well as optimized energy production. A country that cannot feed itself is destined to lose its sovereignty.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Mr. Yakabuski?

**Ms. Wendy Beswick:** I'm sorry; I didn't introduce myself. I am Wendy Beswick.

**Mr. John Yakabuski:** Thank you very much, Wendy, for joining us this morning. We had a great presentation yesterday from your vice-president Don McCabe, as well, down in London.

I think what irks me sometimes is the presumption of support that this government has. This minister walks

around singing and the Minister of Agriculture walks around praising the support that the OFA has given the Ontario government on this Green Energy Act as being some kind of unreserved, unconditional support for the act. We're finding out that it is anything but.

We appreciate you coming forward and expressing the concerns with regard to what they're doing, what could happen to class 1 farmland in this province, of which we have over 50% of the Canadian total. We really appreciate that this is being brought to the forefront, because if you listen to the Minister of Energy and the Minister of Agriculture, they just think it's the best thing since the wheel was invented.

We understand that there are some opportunities for farmers here with respect to biogas and biomass, and we support those because those are dispatchable forms of energy, but it is really good to hear that there are issues here. This government only wants to tell one side of the story, and that's what these committee hearings are all about. We appreciate you coming.

**Ms. Wendy Beswick:** May I make just one comment? Farmers will produce food, and when policies are created, quite often what will happen is that people will react to these policies. If prime farmland is being used for energy production, what will happen is that marginal farmland will be turned into farmland—not prime. These marginal lands are quite often very stony or wet and they're being utilized for pasture. That really helps the wildlife. So if prime farmland is being used, then marginal farmland will be turned into farmland. So actually, it's counter-productive.

**The Chair (Mr. David Oraziotti):** Thank you for your question. Mr. Tabuns?

**Mr. Peter Tabuns:** Wendy, thanks for writing this and thanks for coming to speak to us today. When I was listening to you and taking a look at this, your primary concern, if I understand it, is the installation of solar panels on farmland rather than wind turbines or biogas. Do I understand you correctly?

**Ms. Wendy Beswick:** Yes. But any time prime farmland is taken out of production it is a major concern, whether or not it's—with solar panels it's more difficult to utilize prime farmland, but with wind, you could still farm around it. But we're stating that any time prime farmland is taken out of production, that's an issue with us.

**Mr. Peter Tabuns:** And as I understand it, the proposed tariffs for solar power pay much more for panels that are mounted on roofs rather than mounted on land. Do you think that the price differentiation is adequate?

**Ms. Wendy Beswick:** I don't know that much about the price differentiation.

**Mr. Peter Tabuns:** Fair enough. Thank you. I appreciate your comments.

**The Chair (Mr. David Oraziotti):** Mrs. Mitchell?

**Mrs. Carol Mitchell:** Thank you, Wendy, for making your presentation today. I just wanted to add that we heard from a number of farmers yesterday and specifically we heard from Don, who is a vice-president of the

OFA. They are supportive of the Green Energy Act. They have some concerns but they also see opportunity.

I know that when you get into food-for-energy production or food that we consume, it's a balance that one must always take into consideration.

We also heard from a number of farmers who see the viability of their farms being enhanced through anaerobic digesters. You haven't made too many comments about that. I hear your concerns on solar roof mount versus land application, but would you like to speak to what your thoughts are on anaerobic digesters?

**Ms. Wendy Beswick:** I think there's great potential for anaerobic digesters, especially in the dairy industry. There are a lot of farmers out there, especially in the beef industry, who don't use liquid manure. All the manure would be solid manure and it's not digested. It's composted and put back on the field.

1040

These applications are good, but I don't think that it'll give everybody the benefit. It'll help certain farmers, and I believe that with green energy, if you can utilize more than one application rather than concentrating and putting all the eggs in one basket—you can't concentrate on just the digesters.

Wind power would probably be a lot better for beef producers and things like that, and solar energy would be good for beef producers because they tend to have more marginal lands. Agriculture tends to balance itself out. Prime farmland is used to grow crops and intensive agriculture, whereas the marginal lands are used for low-pressure types such as beef—and cheap.

**Mrs. Carol Mitchell:** Thank you.

**The Chair (Mr. David Oraziotti):** That's our time. Thank you. We appreciate your presentation.

#### CANADIAN WIND ENERGY ASSOCIATION

**The Chair (Mr. David Oraziotti):** The next presentation is the Canadian Wind Energy Association. Good morning and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions from members. Please state your name for the purposes of our recording Hansard, and you can start your presentation when you like.

**Mr. Robert Hornung:** Thank you, Mr. Chair and committee members. My name is Robert Hornung. I'm president of the Canadian Wind Energy Association.

**Mr. Sean Whittaker:** I'm Sean Whittaker, vice-president of policy for the Canadian Wind Energy Association.

**Mr. Robert Hornung:** I'll begin our remarks, first, by saying thank you for allowing this opportunity to provide input into your deliberations on an important piece of legislation, Bill 150, the Green Energy and Green Economy Act.

Our association, CanWEA, is a national, non-profit association committed to promoting the responsible development of wind energy in Canada. We represent

more than 400 corporate members across the wind energy industry, including wind turbine and component manufacturers, wind energy project developers, operators and owners, as well as a broad range of service providers to the industry.

We applauded the introduction of Bill 150 into the Legislature as it signalled a clear desire for wind energy and other renewable energy technologies to play a key role in meeting the province's economic and environmental objectives going forward.

Indeed, we believe that wind energy represents a major industrial development and economic stimulus opportunity for Ontario. Between now and 2020, it is estimated that \$1 trillion will be invested in new wind energy facilities globally and more than one and three quarter million jobs will be created in this rapidly growing industry worldwide.

The Green Energy and Green Economy Act positions Ontario to capture a growing share of the economic, environmental and social benefits associated with this rapidly expanding global market. In fact, Bill 150 is critical to ensuring that Ontario can successfully compete for investment in wind energy project development and manufacturing facilities in the face of the proactive steps being taken in the United States and other countries to stimulate wind energy investment as a response to the global economic downturn. Without the implementation of this legislation, Ontario will face much greater challenges in capturing its wind energy opportunity.

As you well know, much work remains to be done to flesh out the detailed implementation of Bill 150, and CanWEA and its members have been actively involved in working with the government and its agencies to work on details in key areas, such as pricing, transmission build-out and streamlining of the permitting and approval process.

We acknowledge and welcome the active participation of a broad range of stakeholders in these processes and look forward to working with them to ensure that the implementation of Bill 150 reduces policy uncertainty and provides a stable investment climate that will allow wind energy development to proceed in a responsible way that benefits and meets the needs of the citizens of Ontario.

We'd like to address our comments today on two issues: first, on the permitting and approval process; second, on concerns expressed with wind development.

I'll start with the first issue, which was the subject of a joint submission made by ourselves along with the Ontario Waterpower Association and the Association of Power Producers of Ontario, and we've provided copies of this submission for your review.

We're pleased to see that Bill 150 seeks to improve the efficiency of the permitting and approval process without compromising its effectiveness. There's no doubt that community engagement and consultation must play an important role in wind energy development, and all stakeholders must continue to have an opportunity to ask questions and raise concerns about such development. To

ensure that Bill 150 succeeds in meeting the objectives of improving efficiency without decreasing effectiveness, however, our submission made the following three major recommendations.

(1) Bill 150 should maintain Ontario's current prudent approach to environmental hearings. We're concerned that the proposed amendments to the Environmental Protection Act will decrease the efficiency of the environmental hearing process without improving its effectiveness. Specifically, the proposed elimination of any threshold process to screen out potential appeals raises the possibility that appeals will proceed that do not merit the time and expense of a full hearing. Under the current approach, a party must first demonstrate the basic merits of its case through a leave-to-appeal application before it will be granted a hearing. We believe this is a sensible approach. Bill 150, however, provides a third party appeal as a right and, in doing so, eliminates the obvious benefit of a screening-level review of the merits of each proposed appeal, which raises the possibility that frivolous and vexatious claims will be heard at great expense.

(2) Bill 150 should incorporate all relevant provincial approvals into the renewable energy approval model. While it's apparent in the proposed legislation that the approvals required for a renewable energy project under the authority of the Ministry of the Environment are to be integrated, the same cannot be said for those under the legislative authority of the Ministry of Natural Resources. We believe this must be addressed to provide a truly streamlined approvals process.

(3) Empower the office of the renewable energy facilitator. While we welcome the establishment of this position and this office, it's currently unclear how the office will hold to account the achievement of the province's renewable energy objectives as presumed in the act. We strongly recommend that this office be given specifically the ultimate responsibility for reporting on progress against these objectives.

I'd now like to ask my colleague Sean Whittaker to speak briefly to some of the concerns associated with wind energy development that have been raised during both legislative debates and committee hearings on Bill 150.

**Mr. Sean Whittaker:** Thank you very much, Robert. I'd like to start by saying that CanWEA and its members take concerns about wind very seriously. We understand that it's natural for people to ask questions about a technology that is relatively new to the social and political landscape. The wind industry welcomes an open discussion, and we encourage the public to really get the facts on wind. As an association, it's our responsibility to provide answers to any questions raised and to do what we can to ensure that the discussion takes place on the basis of factual, independent, peer-reviewed knowledge because in the absence of facts, misconceptions can grow easily.

During these hearings and recently in the media, we've heard a number of concerns that are worth addressing here, and I'd like to focus on three in par-

ticular: (1) wind turbine sound and human health, (2) the reliability of wind-generated electricity and (3) safety issues. We have left copies of a slide deck that deals with these and other commonly raised concerns in more detail.

First, with respect to audible sound, some contend that wind turbines emit sounds that make it impossible to live anywhere near them. While it is true that wind turbines do produce sound, current regulations in Ontario ensure that sound levels at neighbouring residences are kept to acceptable levels. These regulations were developed on a solid scientific basis and were, in fact, recently modified to reflect new knowledge on sound propagation and perception. They are among the strictest in the world, and we believe they will continue to ensure that wind turbines are good neighbours in their communities. Across North America, there are over 10,000 turbines and tens of thousands of individuals who live near them. Complaints are few and far between, particularly when compared to complaints from other sound sources in the built environment. In the United Kingdom, an extensive review by university researchers of complaints from wind farms indicated that "in terms of the number of people affected, wind farm noise is a small-scale problem compared with other types of noise; for example the number of complaints about industrial noise exceeds those about wind farms by around three orders of magnitude." That was after a review of 133 wind farms.

There have been some claims made recently that wind turbines can have a negative impact on human health. To be clear, we are unaware of any peer-reviewed evidence that supports this claim. Our submission provides references to peer-reviewed studies in this area. If others claim that this evidence exists, I would encourage the committee to insist that they produce it.

This is not to say that the subject has not been studied; it has, to a considerable extent in Canada and internationally, by people who specialize in acoustics and human health impacts of sound and infrasound. All peer-reviewed studies have come to the conclusion that there is no evidence that turbines can have an adverse impact on human health. As an indication, an extensive review of the issue by Chatham-Kent's acting medical officer of health, Dr. David Colby, concluded that "opposition to wind farms on the basis of potential adverse health consequences is not justified by the evidence," a view supported by Dr. Allen Heimann, the medical officer of health for the county of Windsor-Essex.

#### 1050

**Reliability:** Some have claimed that having wind on the system will either make the electricity grid unreliable or require 100% backup power from fossil fuel generators, thereby negating any benefits. This is categorically false, and one only needs to look to jurisdictions with wind integration experience for the proof. Indeed, a 2006 report for Ontario's Independent Electricity System Operator showed that 5,000 megawatts of wind on the system would require only a 4% increase in regulation reserve and a 17% increase in load-following requirements. Results from integration studies across the globe have come to similar conclusions, even at higher wind

penetration rates. In fact, the general consensus among utilities and system operators is that most systems can accommodate up to 20% wind without significant operational impacts and without compromising system reliability. We refer you in this regard to the work of the Utility Wind Integration Group, an independent group of utility and electrical engineering professionals based in the United States.

Lastly, there are some who claim that wind turbines present a hazard to the general public, either from turbine failure—tower collapse or blade loss—or from ice-shedding. Again, evidence indicates otherwise. Modern turbines are built to international standards that greatly reduce the risk of failure. Although it is true that some accidents have occurred, the vast majority have occurred with older turbines, where proper maintenance procedures were not followed. Failures are few and far between. With respect to ice-shedding, when ice builds up on a blade, the efficiency of the blade drops considerably. The turbine's control system detects this and shuts down the turbine until the ice melts or drops to the base of the turbine.

**The Acting Chair (Mrs. Carol Mitchell):** I just want to remind you, if you want to wrap up, you have about 30 seconds left.

**Mr. Sean Whittaker:** Understood.

Risk analysis by CanWEA indicates that a distance of blade length plus 10 metres is sufficient to ensure public safety.

With these facts in mind, I think it is not surprising that wind continues to enjoy strong popular support. Our polling has indicated that 87% of Canadians favour increased development of wind by governments. We find that acceptance of wind gets higher the closer you are to a wind farm, and that's because these communities often see them as not only a source of pride, but a symbol of job creation and economic development.

In conclusion, we again applaud the government for introducing a bold, forward-thinking initiative that sends a clear signal that wind and other renewable energies will play a key role in meeting the province's environmental and economic objectives going forward.

Thank you very much for this opportunity. We'd be happy to answer any questions you have.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you. We'll start the round of questions with the NDP, Peter.

**Mr. Peter Tabuns:** Gentlemen, thank you very much for your presentation.

One of the points that you raised in this letter that you sent was the whole question of length of land leases. Was that properly addressed in the act? You've asked that land leases be at least 50 years, rather than 40 years. Has that been addressed, and can you tell me what impact it will have if it's not addressed?

**Mr. Sean Whittaker:** It's a matter of certainty. What often happens with wind power development is something called repowering, which is what we're seeing in Europe. A turbine will be sited on a particular area of land, and then, even before the turbine's lifespan is up—

20 to 25 years—they'll often choose to repower that site with a turbine that has greater capacity, and that often will move them out past the 25-year horizon. So there's a feeling that the longer period provides greater certainty and allows that site to be developed over a longer period of time.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you, Ms. Broten.

**Ms. Laurel C. Broten:** Thanks for your presentation.

I want to read to you a portion of the submissions advanced to us yesterday by the Ontario Federation of Agriculture, with respect to stray voltage. They say, "Wind farms have contributed to stray voltage. The causes of this appear to be having power collection wires for a wind farm too close to distribution power lines serving a house or farm.... The noise complaints that some people have near wind towers illustrate symptoms similar to stray voltage. It is probable that in addition to testing for noise levels, the homes should be tested for stray voltage."

I wonder if I can give you an opportunity to speak to the issue of the management of stray voltage and whether you share the views advanced by the OFA.

**Mr. Sean Whittaker:** My understanding is that the Ontario Energy Board has launched a process to look at the issue of stray voltage. To be clear, wind turbines connected onto a distribution or transmission network have to comply to very strict interconnection requirements. They have to behave, electrically, in a very strict fashion. There is a possibility that in certain cases, if a turbine, meeting its standards, is on a weak feeder line, somewhere on the line there may be issues with respect to—it's not stray voltage; it's more of just that it may expose an existing condition, a difficulty with the grounding condition. But the same thing can happen if you put a high load on that feeder line, like an elevator. Operation of that elevator or of another strong load may expose, somewhere else on that feeder line, a pre-existing condition.

As we say, the OEB is looking into it, but it's important to emphasize that the turbines, when they connect, are required to adhere to a very strict code. They themselves are not the source of stray voltage, but they and other demands and contributors to the system may expose an existing weakness.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you. On to the Conservatives.

**Mr. John Yakabuski:** Thank you very much. I think it would be accepted by everybody that everybody in all walks of life and of all political persuasions wants to see us become less intrusive on the environment. I think it's also fair to say that people who are in the wind development business are not there because they somehow want to save the world more than somebody else; they're in the business to make money. When you make a submission here today, I think you have to be willing to defend them as well. When you say that people who have come before this committee—that their work is not peer-reviewed, you've got more than one, and in some cases several, doctors looking at the same statistics and coming

up to the same conclusions, most people would consider that to be peer-reviewed.

I have a couple of questions, and you can respond to that as well. You talk about setbacks in your submission. When the OFA was here yesterday—we were in London yesterday—they had serious concerns about setbacks. For one particular submitter who lives near the Shelburne-Amaranth development, one particular turbine that was over 700 metres away from their house has been shut down, and they're still having—so the developers, Canadian Hydro, must have felt something was wrong or they wouldn't have shut the turbine down. There are issues out there.

Would you, as an industry—and I'm not a scientist; I don't pretend to have the answers. What we're hearing for, at the request, is an epidemiological study by an independent third party, not by the wind industry—and not that there's a serious problem, but would you agree to that as an industry so you can deal with this issue once and for all? Would you agree to that? Would you feel that that is something we could all gain from?

**Mr. Robert Hornung:** Thank you for the question. I have one quick comment, just to begin with. In terms of peer-reviewed science, that reflects a very specific procedure in terms of review and documentation before publication of documents which, as we've seen in other areas, for example, in the area of climate change, has been critical to developing a scientific consensus around how to move forward on that issue.

As noted in our presentation, peer-reviewed literature does not find evidence of an impact from wind turbines on human health. It's important to note that studies are ongoing. There are studies going on all over the world that are looking at this issue. There are global conferences held to look at this issue. We think that these studies will continue to confirm the consensus to this point in time in the peer-reviewed literature.

Nonetheless, if there is a study that is to go ahead and would proceed, it's our view that such a study should not in any way serve as something that would slow the implementation of Bill 150. The reason we say that is because—

**The Acting Chair (Mrs. Carol Mitchell):** Okay.

**Mr. Robert Hornung:** Okay, I'll be very quick. The reason we say that is because, at the end of the day, you have a strong scientific consensus. We have a need to build new generation in this province. Just as we've found in the climate change in debate, although there are some differences of views, where this is a strong consensus opinion, that has been enough to drive activity, and activity is required.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you for your presentation.

**Mr. Robert Hornung:** Thank you very much.

1100

#### SAVE OUR SKYLINE

**The Acting Chair (Mrs. Carol Mitchell):** Save Our Skyline is the next presenter.

If you would like to come forward, please. There are 10 minutes for your presentation and five minutes for questions that will be shared amongst the three parties here today. If you could please state your name for the record, sir.

**Mr. Lou Eyamie:** Lou Eyamie.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you. If you would like to begin.

**Mr. Lou Eyamie:** Madam Chair, members of the committee, ladies and gentlemen, my name is Lou Eyamie and I'm here today speaking on behalf of SOS, Save Our Skyline, and on behalf of my wife and myself. SOS is a local organization. Our members represent a group of people who are concerned, as we are, about industrial wind turbines. As a member of SOS, I can assure you that I and my neighbours are not speaking out to save a view but rather to ensure that the industrial wind turbines proposed in our area do not harm the environment, do not increase risk to threatened species and pose no risk or health threat to the people and animals that live near proposed sites.

How do we make our voice heard and bring you to understand the fears and concerns we have? I feel like a very small voice in the shadow of large organizations and businesses that have aligned themselves with this government and have become your advisers and key resources.

When word came that SkyPower was proposing building a wind farm down the road from our home, we were interested. This was our chance to learn something about that which had always intrigued us. So we went to their open house. We came out very disillusioned. Many of our questions went unanswered. We started doing our own research. What we found made us angry and afraid. SkyPower obviously was not telling the whole truth. Since then, we've been working hard with our local elected officials, neighbours and businesses to learn as much as we could and to inform our communities about the risks of industrial wind turbines.

Through numerous public meetings, we have encouraged our neighbours, the citizens of Renfrew county, to make sure that their concerns are known to their councils. Our primary objective is to ensure that the siting of these proposed towers would not negatively impact our health, environment, economy, rich cultural heritage and history, and our property values.

Our independent research has told us that turbines do not produce when demand is highest and operate at only 30% efficiency at best. Current recommended setbacks from dwellings are one and a half kilometres to two kilometres. Health impacts are real and the symptoms people are experiencing are consistent worldwide. Environmental impact studies to date are inadequate and biased. There have been 17 requests for more thorough EAs, and 17 have been denied. If this government is so adamant that industrial wind power is safe, why have they not granted one EA? Why are you so reluctant to assure your voting public that there is no risk or impact to the environment?

Now we're dealing with the Green Energy Act. This act is being pushed through without allowing full public

consultation. This is legislation that takes away basic democratic rights of citizens to participate in decision-making and removes the fair and democratic process for concerns and complaint resolution. Just because your act says it's green, just because the wind turbine companies say it's green, does not mean it is. You should not abandon all principles of protecting environmentally sensitive areas and you should ensure that this technology does not harm the people you're entrusted to protect.

Our concerns about this act and this process relates to such areas as: the majority of people and industries with time slots to speak at these meetings appear to be pro-wind. Private citizens such as Barbara Ashbee-Lormand, who continues to struggle with health issues as a direct result of the industrial wind turbine installations next to her home, have been denied presentation time. Other individuals have been told they would need to travel to Sault Ste. Marie. For some, this is a seven-hour drive one way to speak to you for 10 minutes. This effectively silences many who oppose aspects of the Green Energy Act.

The removal of perceived barriers as proposed in this act actually removes and eliminates the rights of the voting public to have a say through their municipal councils as to the development and planning within their own communities. Even as your government has accused us of NIMBYism, the Green Energy Act reflects a direct conflict of interest. The alliances and partisanship that exist between organizations that are connected to this government and to the wind companies are clearly self-serving affiliations. These include CanWEA, OSEA and others.

CanWEA is a lobby group whose website states that they are the voice of wind energy. Like any other business, the wind industry is enthusiastic about government subsidies and quick profits, and their literature makes no mention of the inefficiencies and true costs of industrial wind, not to mention the negative health impacts being experienced right here in Ontario. CanWEA's literature and research are clearly biased, and yet they are acting as advisors to this government.

Hermann Scheer is revered and respected by Energy Minister George Smitherman, but Mr. Scheer does not address the issues of setbacks, environment and health in his speeches. He has not publicly stated that not in Germany or anywhere else in the world has one coal- or gas-fired plant been closed with the addition of the industrial wind turbines. In fact, Germany is building more coal plants in order to provide constant backup for wind power.

At a recent meeting in Cobden hosted by the Ottawa River Institute, a German engineer spoke and was shocked to learn that Ontario is not incorporating the current research, standards and regulations into the Green Energy Act or adopting the regulations that are being used at credible German wind turbine sites.

Denmark is another example for us to learn from. The Danish federation of industries says, "Windmills are a mistake and economically make no sense." The Chair of

energy policy in the Danish Parliament calls it "a terribly expensive disaster." Perhaps Mr. Smitherman should ask this gentleman rather than relying solely on the information so readily and enthusiastically provided by Scheer, CanWEA and OSEA.

The lobbying by these industry-based organizations has clearly been effective. CanWEA is a voting member of OSEA, which has received funding from the Ontario Trillium Foundation. Public money has been used to fund this industry, an industry that chooses to ignore the importance of protecting public health and the environment. OSEA was one of the founders of the Green Energy Act Alliance, who came up with the draft law and lobbied the government to implement it. The bias and conflict of interest that exist in this business alliance with our elected government is astounding to us as citizens in this province.

Media reported that McGuinty promised months of consultation. Instead, the public has been given an inadequate amount of time to voice their opinions and speak directly. More shocking still, the people who have already experienced the negative impacts of industrial wind turbines are being denied their democratic right to speak. In fact, I believe that I was fortunate to get here today at all.

In conclusion, on behalf of the citizens who are members of SOS and people of Renfrew county, we respectfully place these requests:

Full environmental assessments of all industrial wind projects, regardless of size, are to be implemented. To my knowledge, waiving the requirement for a full EA or instituting a one-size-fits-all assessment is unprecedented for any other industrial development proposal. Why allow it for industrial wind?

The Green Energy Act must be amended to allow for fair and democratic legislation without removing municipal planning rights.

The Green Energy Act must allow municipalities to engage the province in meaningful and constructive dialogue regarding how they can best contribute to alternative and renewable energy solutions that will benefit the province as a whole. South Algonquin is actually exploring biomass potential as opposed to industrial wind. My local municipality could explore the feasibility of reopening an existing hydro dam or converting struggling sawmills to wood pellet and biomass facilities. Individual municipalities know their communities, their industries and their economies. They have their right and obligation as elected officials to work with their citizens to ensure that renewable energy initiatives benefit all involved. A true democratic government would honour and respect that right, working in partnership with local government.

We are aware that clean and renewable energy is vital to the health and well-being of our planet, but our rush to produce what industry deems as green energy should not come at a cost to the health and well-being of the people who live next to or near these installations. It should not come at a cost to our environment and our communities.

It must not undermine the democratic rights of the citizens of this province, and there must be a fair and democratic process to resolve complaints and concerns and for citizens to voice their opinions. The Green Energy Act must be amended to reflect a fair and democratic process. The onus of proof, as written in the act, lies squarely with the victim, and this is unacceptable.

Finally, policy and procedure that allows that citizens who have been or will be affected by developments to escalate their concern to an objective and fair tribunal.

Ladies and gentlemen, today I'm leaving you with a petition that reflects the concerns of approximately 400 citizens. The Chair has a copy. As well, I've attached copies of letters from our local municipalities in Madawaska Valley, Killaloe, Hagarty and Richards. These letters outline their position and shared concerns regarding the Green Energy Act.

It is our hope that you will work as our elected representatives and that this act will not just serve the interest of industrial wind companies but will be a green act that plans for today and protects for the future.

Thank you kindly for your time.

1110

**The Acting Chair (Mrs. Carol Mitchell):** Thank you, Lou, for your presentation. We'll begin the round of questions with Laurel.

**Ms. Laurel C. Broten:** Thank you for your presentation. I know that in your presentation you had an opportunity to speak to the work that South Algonquin is doing with respect to biomass and the examination of other sawmills to wood pellet. I'm wondering whether or not you believe that the Green Energy Act does provide some opportunities for communities that might want to look at biogas, biomass, whether on a farm or a community co-operative, or to provide some greater opportunity for that type of electricity production.

**Mr. Lou Eyamie:** I believe there are provisions in there for that type of production. SOS's biggest concern is the siting of wind turbines. Because of the topography in our area, turbines are not a suitable alternative. We live in a forested area, a tourist area, and we have lots of other ways of producing electricity without putting up turbines. I don't know of any community or council that won't look at something else—biomass, wood pellets, hydro. There are lots of opportunities. Don't force these turbines on us.

**Ms. Laurel C. Broten:** Thank you.

**The Acting Chair (Mrs. Carol Mitchell):** John?

**Mr. John Yakabuski:** Thank you very much, Lou, for joining us this morning. I appreciate your presentation. We did get the opportunity to hear from Barbara Ashbee-Lormand yesterday, and her testimony was emotional and difficult to ignore.

A couple of questions: You talked about the granting structure. Would it be fair to say that if an agency of any kind is giving another group of people grants and using that group of people as advisers, that (a) either the advice would be tilted in favour of the way that the granting agency wanted, or (b) the agency would be tilted in

trying to ensure that they pleased the group that they were granting money to? That's one of the questions.

The other thing is, do you feel that we could lose some real, local autonomy in this bill with the fact that nobody knows your municipality, your county, your area better than the people who live there, like yourself, and the decisions are being made in Toronto?

**Mr. Lou Eyamie:** First question: I honestly believe that if some company was giving me money so that I could be successful, I would do whatever I could do to please that company, whether it'd be to produce reports that favoured what they were pushing, or just as long as I kept getting my grant and got a paycheque and could go home every week, I would gladly do whatever they asked.

Second, Mr. Yakabuski asked about autonomy in our area. If this act goes forward the way that I have read it, I believe that the municipalities are not going to have any say in anything for any kind of development, whether it be green energy, building roads, building anything. The government is going to have the outright right to come in and say, "No. This is what I want. This is what you're going to do," and we'll have no say at all. There'll be no point in having municipalities. There'll be no point in having councils.

**The Acting Chair (Mrs. Carol Mitchell):** Thanks, Lou. Peter?

**Mr. Peter Tabuns:** Lou, thanks very much for the presentation and for taking the time to come before us today. You make an argument that organizations that are funded by the government are promoting a particular position. I think the logic would be that they shouldn't be government-funded. Would you hold that to be the case with the nuclear industry as well and Atomic Energy of Canada Ltd.?

**Mr. Lou Eyamie:** Mr. Tabuns, I know nothing about nuclear energy. I do not know how they're funded. I don't know how they work. I don't understand their structure. I only know that I live in a valley that I was hoping to retire into. I've spent the last 10 years rebuilding a 150-year-old log home that they're going to put a turbine beside, and this upsets me. That's why I'm doing what I'm doing.

**Mr. Peter Tabuns:** Fair enough. Thank you.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you for your presentation.

CARMEN KROGH

**The Acting Chair (Mrs. Carol Mitchell):** Carmen, if you would please come forward? If you could please state your name for the record and then begin your presentation.

**Ms. Carmen Krogh:** I'm Carmen Krogh. I'm an independent. I'm a retired pharmacist, and to give you a little bit of background on myself, for 15 years I was editor-in-chief and director of publications for a large health professional publishing house. I know all about peer review, so I'll tell you a little bit about that.

**The Acting Chair (Mrs. Carol Mitchell):** You have 10 minutes to do that.

**Ms. Carmen Krogh:** I do.

I want to give a case in point. We don't know a lot about technology when we implement it quickly. All of you recognize a compact fluorescent light bulb. Health Canada, in January, announced it was investigating these for adverse health effects. My point here is that we're implementing very large renewable energy structures, wind turbine complexes, without knowing very much about them and understanding them, and we're lacking a vigilance program. I can explain to you a little bit about Canada Vigilance, which is a program of how they monitor drugs in the Canadian market. It goes into this book, and sometimes the content of this book will change up to 50%. So we need some type of post-marketing vigilance.

I should tell you as well that I'm a victim of a wind turbine complex and I experienced some pretty serious health effects. I don't live with the turbines, but I was travelling and did get exposed. I'm in contact with a lot of victims in Ontario. I know Barbara Ashbee-Lormand very well, and I know what they're going through. I know Sandra, who was here yesterday, and I know what they're going through and have a lot of concern about their adverse health effects.

I partnered with a couple of other people and we've conducted what we call a community-based health survey. These are in the communities where turbines are, and we surveyed people who are affected and those who are not. Dr. Bob McMurtry, former dean of medicine at the University of Western Ontario, will be presenting the results of the survey to you next week in Toronto on the 22nd.

I will give you a snapshot: a really big hit on sleep deprivation. This is a very serious concern. Amnesty International confirmed with me that it's a tool of torture, and we should be taking that into account.

Another problem that has been popping up are cardiac effects, and some of them are pretty serious. You may have heard about those yesterday.

I don't know what the provincial opinion is; I've asked where they stand on adverse health effects and turbines, and I've received no answer. We know what CanWEA's position is on that, and I would expect that because they're in business. Their survival depends economically on their position, because who would buy into a product that could make you sick? Our MOE guidelines here in Ontario aren't working, obviously, because we have people who are sick.

The setbacks are too close; they're putting them very close to people. Recent medical research is showing that setbacks may be two to three kilometres, as a requirement, but we don't know that conclusively yet. Some people think that might not be far enough, based on the research.

I have a comment on section 142, subsections (1), (2) and (3), of the Green Energy Act. There's a provision in there that you can't make an appeal to an approval of a

turbine complex unless you can prove that it will have serious medical effects on you and that it is not irreversible. To me, that reads like you'd have to either have a stroke and be paralyzed or possibly die, because that's the only way you could prove that it wasn't irreversible. I think that clause should be revised somewhat to reflect a more caring and less callous statement.

A few comments on peer review: I've been a peer reviewer and I've also managed peer review. It's been blown a little bit twisted. Peer review is just that you distribute a manuscript—it could be the chapter of a book—to people who have similar expertise, and what you do is ask them for comments and whether it's worthy of publication. We do not have peer review studies that show turbines are safe. We do have peer review from Dr. Pierpont in the United States, who has studied 10 families. She's had very eminent people reviewing that book and it's coming out shortly, so we do have that. We have a lot of peer review on noise affecting health, and that is a fact. I've provided a CD for you for that.

**1120**

What is of concern and needs to be paid attention to is that in the medical community, we start researching and looking at people who are affected by adverse health conditions. We've got information from doctors in the UK, the United States—two of them, in fact—and also, our own health survey, which is a valid health survey. It's been set up with proper protocols. Those are sounding what I call a warning bell, and that bell is ringing quite loudly right now.

How much time have I got? I don't have a watch. Two minutes?

**The Acting Chair (Mrs. Carol Mitchell):** No, you have four minutes left.

**Ms. Carmen Krogh:** Oh, wow, that's pretty good. I'm doing pretty good.

**The Acting Chair (Mrs. Carol Mitchell):** Well, five. I'll give you a 30-second warning when you're at the very end.

**Ms. Carmen Krogh:** Okay. Thank you very much. I don't wear watches.

I guess my final points are that we need to really consider the next steps from the health perspective. As I mentioned, I'm for health here, and having had some of these adverse effects, I know how terrible and debilitating they are. I'm certainly never going to go near a turbine again if I can avoid it. I think we should give some hard consideration to stopping any more building of these complexes until we've conducted proper studies. You've heard a little bit about epidemiology. These are public health studies that identify the risks to public health and tell the doctors what to do about them, and these studies would then determine the proper setbacks for our population.

The next thing I'd like to suggest is that, as a compassionate society, we decommission the turbines where the serious problems are showing up. You will hear next week from Dr. McMurtry about the scope and the scale of these issues. I know you heard from several groups

yesterday. When I'm in touch with these victims, it's very emotional and very draining and sad. I have a lot of unanswered questions about young children, infants and women who are pregnant, because we don't know the long-term effects of some of the health effects that are being experienced by people, and these need to be studied and surveillance for many years needs to be undertaken. I would recommend that we decommission those and look at compensation for the victims who have experienced these problems.

I thank you very much for this opportunity to make the presentation.

**The Chair (Mr. David Oraziotti):** Are you finished? Do you have anything else to add?

**Ms. Carmen Krogh:** If I could add two things. The two references that were referred to by CanWEA—the first one was a research piece that did not measure health effects or anything else except what they call “aerodynamic modulation.” So I don't think it really fits in the context of the concerns around health. The second study had to do with Dr. Colby, chief medical officer of health. It's uncertain who wrote that paper. It's a literature search. It's incomplete because it didn't bring in any health people or any health areas at all. There's a recognition in the front of the study thanking Dr. Colby for his assistance with that particular article. I don't know who wrote it, but it's often attributed to him.

I have evaluated all the articles on the CanWEA site and they really do not conclude that scientists feel there are no adverse health effects. In none of the articles is there anything like that. I think we have to be aware that, as I said, they're in business, and we expect them to take this stand.

I thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Mr. Yakabuski?

**Mr. John Yakabuski:** Thank you very much, Carmen, for joining us this morning. A couple of years ago, I had never heard of adverse health effects from windmills. That's probably not surprising. Probably a lot of other people didn't hear about it either, but we're hearing a whole lot about it these days. I don't pretend for a minute to have the qualifications to determine whether or not your concerns are valid and your presentations are accurate scientifically. I don't have those qualifications, but I certainly don't have the qualifications either to say to the wind industry, “Your research is good, it's accurate, it's complete. Everything's fine.”

From that perspective, wouldn't the prudent thing be to commission a third party review, an epidemiological study, by a mutually-agreed-to, respected, recognized, competent third party to actually do a study and a review that looked into these issues and reported back to the government before you would actually take all kinds of steps that may or may not have adverse effects on people? As I have heard so many times before—my colleague from the NDP uses the term “the precautionary principle.” Would that not be the prudent thing to do?

**Ms. Carmen Krogh:** Yes, and that's the first thing I'm suggesting, that we commission what we would call

a multidisciplinary study, which would put together the team—it's a health team—to look at the adverse health effects and what's occurring and to study those. The multidisciplinary team would have to consist of various engineers and other groups.

If you think about it, if you're sick, you don't go to your local acoustics engineer for a diagnosis or help. You go to your doctor. These symptoms are new. The victims have a really hard time describing what happened to them. I know I still do, and I'm a health professional. There's a wide range of things that happen to you. Victims tell me that it depends on the direction of the wind, the speed of the wind and even the atmospheric, whether it's snowing, raining or clear out. So that's why it's been very hard to get a grip on that, and we certainly do need very intensive study on this.

**The Chair (Mr. David Oraziotti):** Thank you. That's time for questions. Mr. Tabuns?

**Mr. Peter Tabuns:** Thank you, Carmen, for coming and making a presentation today. The monitoring that you talked about with pharmaceuticals: Could you tell us how that's structured?

**Ms. Carmen Krogh:** Yes. It's called Canada Vigilance. You can look at the website. It's run by Health Canada. It encourages anybody in Canada—a consumer or a health care professional—to make a report on any suspected adverse effect that you might have had. You don't have to prove it, it's never discounted and it's built into the international community to update product information, which is the prescribing information.

The industry itself is mandated by law to report as well. I looked at that database quite closely, and it could be set up as a Canada wind vigilance database as well. So this would allow us to start collecting data which could move us on into studies that would address those pieces of information and data.

**The Chair (Mr. David Oraziotti):** Thank you, Mr. Tabuns. Ms. Broten?

**Ms. Laurel C. Broten:** Thank you very much, Carmen. Two questions; one, have the practices that you suggest, such as Canada Vigilance, been used with respect to any other form of electricity? For example, we know there are a lot of health effects associated with coal-fired electrical plants. Has that model been used, or other models? And the second one is—I don't know if you were in the room earlier when I had a chance to ask CanWEA about the OFA submission with respect to stray voltage. I wondered whether you wanted to speak about it or if you have any thoughts with respect to the health effects being connected to electricity fields as opposed to, necessarily, the turbines.

**Ms. Carmen Krogh:** Yes. On your first point, I think, as a society, we're lacking in vigilance on a lot of technology implementations, just like the light bulb. It's such a small thing, eh? So I agree that we probably should embark on a very good vigilance program for many of the things that you're talking about.

On the stray voltage, there's a complexity of what's being emitted from the turbines. There are different types

of noises, that which you can hear and that which you can't hear—it's very low—and those are causing problems. Stray voltage is as well. I can tell you that I've spoken to some people who have to wear rubber boots, insulated, in the house all the time, year-round, because they're getting electricity up through their feet. Another gentleman buried a copper line around his house—it's not attached to anything. He hooked it up to a light bulb socket, twisted in the bulb and it went on; it lit. So there are some unanswered questions that we need to address.

**The Chair (Mr. David Oraziotti):** Thank you very much. That's the time for your presentation. We appreciate you coming in today.

**Ms. Carmen Krogh:** Thank you very much for your time here.

1130

#### UPPER OTTAWA VALLEY FOREST INDUSTRY ALLIANCE

**The Chair (Mr. David Oraziotti):** The next presentation is the Upper Ottawa Valley Forest Industry Alliance.

Good morning, sir. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions from members of the committee. Just state your name for the purposes of our recording Hansard and you can begin.

**Mr. Leo Hall:** Good morning. My name is Leo Hall. I am here as a forest business owner and also to represent a larger group of 15 sawmills, harvesters and wood-processing companies from the Renfrew county area, west of here in Ottawa.

These businesses are mostly family-owned. Several have been operating continuously for three generations and some for over 100 years. They are the forest industry in Renfrew county. They are typical of an even broader group of over 400 enterprises throughout the area that form an industry that accounts for over 2,000 direct jobs and 1,200 more indirect jobs in other places in Ontario, with an output value of almost \$300 million. They account for a third of private sector commerce in Renfrew county. Over the years, they have demonstrated a solid history of progressive and sustainable use of the forest resource in the region.

Recently, our local pulp mill and wood panel plants closed. Now we have no market for low-value wood products from our forests, and this is a big problem. We have organized ourselves into a group and funded research to find a solution.

We believe the answer lies in making energy from this large, woody biomass resource. I am here today to report to you on some opportunities to convert this wood to renewable energy, and on the role that the Green Energy Act can play in making this happen.

Simply put, there are at least half a million metric tonnes of pulpwood, chips, sawdust and bark which are produced from harvest and sawmill operations and cur-

rently have no use. This is more wood than all the pellets burned in Canada last year.

Where does all this wood come from? When forests are harvested to make lumber for homes and furniture, about half the trees are not good enough to be used for these purposes. Just leaving them is not good, sustainable forestry. Over time, it amounts to not weeding your garden and is called high-grading. In addition, when two loads of sawlogs that are good enough to make lumber go to a sawmill, one load of chips, sawdust and bark is created as by-products of the sawmill process.

If the forest industry is to survive, all of this pulpwood, chips and sawdust must be made into something that can be sold, something to replace the pulp and panel wood which are no longer utilization options for us. This problem must be solved to save the forest industry, along with the jobs and tax base that go with it.

There is some opportunity here. Our group believes that the best hope for this resource is to convert it into renewable energy.

I have just returned from a fact-finding trip to Austria, Germany and Italy, where great progress has been made over the past 20 years in converting wood biomass to energy and where markets for energy made from wood are growing rapidly.

Based on this research, two approaches have been identified that look promising to us in our region. The first one is wood pellets. These pellets are probably familiar to most of you. The process enables wood to be dried and concentrated so that it can be burned cleanly and easily on a small, household scale. It can also be transported longer distances to markets at an acceptable cost.

There are now over 450 pellet mills running in western Europe. Almost all pellets produced are used there. It is an exciting, rapidly growing activity that is seen as renewable and absolutely critical to meeting the sustainable energy goals that are already set in Europe.

Secondly, modest-scale combined heat and power, or cogeneration: This process burns wood chips and residues directly to make green heat, which is used locally, and green electricity, which can be added to the grid.

These plants are not huge—usually in the one- to two-megawatt electrical output range. Critically, at this size, excess heat from the process can be utilized in small district heating grids and modest-sized industrial customers or, equally, in schools and hospitals. A network of 20 to 30 of these plants in Renfrew county would consume a large part of the wood residues described earlier and would create a close market to reduce trucking costs. This is sort of like the 100-mile diet applied to the energy market.

There are obstacles. For pellets, there is no market now that is large enough or close enough to us to use the amounts that we need to sell. Last year, Canada produced a lot more pellets than it could consume. Over three quarters had to be sent to Europe or to the US to be burned. Sadly, our inland location means that freight to Europe and the US makes the business marginal with today's prices for pellets.

The idea of using pellets in Ontario Power Generation's coal plants is a great idea, but it is not going to start until 2012, and even then it is scheduled to start in Atikokan, which is also far away from where we are in the Ottawa Valley.

Combined heat and power suffers from the fact that the heat that is produced with the power must be able to compete with other fossil sources like natural gas for it to work without some kind of financial assistance.

It costs about five cents per kilowatt hour of thermal energy to make heat from wood. My last natural gas bill at my home in Renfrew works out to about three cents per kilowatt hour. Thermal energy using this system is going to be almost twice as costly as natural gas.

In Europe, natural gas is already priced near the cost of heat from these systems and so this is not such a problem. Where it is a problem, it is handled with a green credit to the buyer of the heat.

The electricity produced also costs more than the Green Energy Act feed-in tariff will allow. In Europe, the feed-in tariffs supplied to these installations start at a low of 18 cents per kilowatt hour and top out at about 30 cents.

The Green Energy Act, as it sits now, proposes about 12 cents per kilowatt hour. Notably, the Green Energy Act works against this smaller-scale, more efficient use of biomass. It assumes a scale that is over 10 times as big as what I have described. This makes it nearly impossible to find a use for the large amount of heat given off as a by-product. It also assumes a very low cost of wood fuel, which is not realistic for the pulpwood resource that we are trying to deal with.

So, for pellet-making to proceed, we're going to need some help. Number one: probably financial assistance to get pellet plants built quickly. We have to get this problem solved, and soon. So we have to build plants based on distant markets and then seek to replace these markets with ones closer in, right here in Ontario. This approach makes the economics marginal because of high freight costs to the markets outside of Ontario initially. Therefore, we need some help to get the plants started now.

Secondly, we've got to get the Ontario market going. We need incentives for a pellet market in Ontario. It has to support the purchase of pellet-burning equipment that can create an Ontario market that will make the production of this green fuel profitable by reducing transport costs. This can work quickly. Each household burner uses an average of two tonnes of pellets per year. In Europe, capital grants, green credits and purchase incentives for stoves are all used to support the use of pellets.

For wood for heat and power to proceed, a separate treatment of smaller projects is required in the Green Energy Act. A similar incentive idea to support the purchase of green heat from these plants instead of natural gas is required, and as already described, the incentives can be in the form of green credits to make the purchaser happy to do this. This is also in place already in Europe.

A higher feed-in tariff for green electricity from these plants is needed. In Europe, it has required a minimum of

18 cents to get the activity I am describing into the mainstream. There is no reason to think that the cost here will be dramatically less than in Europe. So this is a much more reasonable place to start.

Wood biomass provides clean, carbon-neutral electricity but in controllable and predictable volumes. The location of the production can also be determined with more flexibility, and the transmission hookup cost is less at the smaller scales that I am describing.

Green electricity from wood biomass is more reliable than wind and sun energy and should therefore be priced to maximize its use if the Green Energy Act is to be a complete piece of legislation.

I want to end this talk with some description of the benefits if the Green Energy Act can be adjusted to support what I have described. First off, we save and grow a renewable, sustainable forest industry as well as a sustainable, well-managed forest. This means that over 2,000 direct jobs and 1,200 more indirect jobs are preserved. An output value of almost \$300 million and the tax revenue of \$50 million a year that goes with it will be sustained.

We also create some real action in displacing fossil carbon in ways that actually provide predictable and consistent quantities of thermal and electrical energy.

Third, we maximize the efficient use of this renewable energy as a resource by using a best-practices search from around the world.

Fourth, we create a wave of green-collar jobs in leading-edge modular green processes.

Fifth, we make actual progress on the idea of a two-way-street model of both generation and consumption of energy by distributing the systems described, as has already been done in Europe.

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Sixth and last, we create a region that can actually prosper as the price of fossil fuel rises.

Your decisions on these issues will likely determine if these benefits are captured and if this industry can survive both here and across Ontario. Thank you.

**The Chair (Mr. David Orazietti):** Thank you for your presentation. Mr. Tabuns, you're first with questions.

**Mr. Peter Tabuns:** In your region, what volume of wood pellet production would be sustainable?

**Mr. Leo Hall:** With the overhang of pulpwood that we can't sell right now, we're looking at about 300,000 metric tonnes of pellets per year. That's just the wood that we can't sell now.

There are estimates. In fact, I did one myself three years ago, where we went out and analyzed the annual growth of the forest in the eastern Ontario region, and if we considered the potential based on that measure, the amount that the forest grows every year, the number is closer to a million tonnes of pellets per year. I have a report out that I'd be quite happy to copy you on based on research we've done on forest that we own ourselves, so I'm pretty confident in the numbers.

The issue is one of cost and of markets. There's no physical problem with sustainability of the wood supply.

It's got to do with being able to make use of this wood and put enough value on it that everybody who's involved in the activity can get paid and make a living and the jobs can be sustained in our area. That's the key to it.

**The Chair (Mr. David Oraziotti):** That's time. Ms. Broten.

**Ms. Laurel C. Broten:** Thank you, Leo. You gave us a lot of things to think about. I wanted to just focus on the household burners because we did hear about that the other day. How would you see that transition occurring? Who would be the potential focus of such a transition to a household burner? What would the greenhouse gas effects be to see that transition take place within households in the province?

**Mr. Leo Hall:** I guess I'd like to start with the greenhouse gas issue just to get that crystal-clear. What I'm talking about is energy from wood pellets that are created from trees in the forest. When they are burned, they give off greenhouse gas in the form of CO<sub>2</sub>. As long as we are operating a sustainable forest, most academics who have studied the issue agree that this is an essentially carbon-neutral activity. There is some fossil fuel required to go out and cut the tree down and make pellets out of it, but it's a small percentage of the benefit that's achieved by doing it. So I think that's the answer to your first question; I hope.

The other issue of how you would go about incenting people to adopt pellet stoves or pellet burners: The experience in Europe suggests that the fast way to do it is to have an incentive program that's a 20% or 30% capital grant to the person who buys the appliance. That way it can happen quickly, and it's a very simple program to administer. There are other systems that involve providing people with green credits if they purchase renewable energy versus a fossil source. It's a little bit harder to implement, perhaps, in the pellet business. I'm not an expert on it, but those are the impressions I've seen in Europe.

**The Chair (Mr. David Oraziotti):** Thank you very much. Mr. Yakabuski.

**Mr. John Yakabuski:** Thank you very much, Leo, and welcome to the committee. It's always good to have folks from Renfrew county, and of course Lou and Carmen were here from Renfrew county as well earlier.

It's interesting that the FIT rates that were established by the ministry—I'm sure the forest industry wasn't quite as consulted with the formation of the Green Energy Act as the wind industry must have been because they seem to be very, very happy with the FIT rate that had been established. We've had presentations from many people over the last several days with regard to the FIT rate for biomass, wondering why it was established so low. What we like—and you and I have had these chats before—about the biomass side of it is that we can support an industry that is struggling in this province. There's nobody who doesn't know the challenges facing our forestry industry, and the other side of it is that any generation produced as a result of biomass is completely dispatchable, which we have control over. So I think there are

some real advantages, plus, we are again, as I say, helping the industry. Do you know of any consultations with the forestry industry, with the Minister of Energy, in establishing this rate, or were we left out of those consultations?

**Mr. Leo Hall:** I wasn't personally consulted. I'm not sure why. But what I would tell you is that I did dig into this a little bit. The Ontario Power Authority held a webcast here a week or two ago concerning these feed-in tariffs, and the basis for the biomass energy rate was derived from an assumed plant of 30 megawatts. That's 15 times the scale that I'm describing. I want to just emphasize the problem with that. The amount of thermal energy that's given off as a by-product in burning wood to make 30 megawatts of electricity is vast. It is a huge amount of thermal energy, and so the only type of—

*Interjection.*

**Mr. Leo Hall:** Yes. You need either a city or a pulp mill—

**The Chair (Mr. David Oraziotti):** That's time. Very briefly, if you could wrap up.

**Mr. Leo Hall:** Quickly, then, the Green Energy Act did not consider the type of approach that's necessary in our area, and I think it's largely lack of information. So I'm here to try and provide some of that.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation.

#### FRIENDS OF THE EARTH CANADA

**The Chair (Mr. David Oraziotti):** Our next presenter is Friends of the Earth.

Good morning and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions among members of the committee. Just state your name for the purposes of our recording Hansard and you can begin your presentation.

**Ms. Beatrice Olivastri:** Thanks very much, everyone. My name is Beatrice Olivastri. I'm the CEO of Friends of the Earth Canada and I'm delighted to be here.

I have provided a short set of comments. Basically what we'd like to do is congratulate the government of Ontario for its vision. Friends of the Earth is 30 years old, having campaigned to protect people and the planet for this long in Canada and 76 other countries. We think the time is appropriate, ripe and even urgent, given our economic situation and pressing need to reduce greenhouse gases. The time is ripe to move ahead with this act forthwith.

Today what I'm going to do is endorse some input that you have already from the Ontario Green Energy Act Alliance, not to take your time in repeating their input but simply to say that we thought they had provided some very useful input and we would like to support it. Then there are three distinctive areas that I want to address on behalf of Friends of the Earth: one around leadership and certainty that's needed, one around accountability to the

citizens of Ontario, and finally the need to create this culture of both conservation and renewable energy.

On this question of leadership and certainty, as I mentioned, we're supporting the amendments to Bill 150 that the Ontario Green Energy Act Alliance has put forward. Two particular areas are of key interest for us, but overall we do support their work. One is around ensuring the ongoing priority for conservation and renewables and planning and the explicit statement they're looking for, a requirement to reinforce the government's priorities for planning, development and operation of the energy infrastructure of Ontario. The second is around designating this feed-in tariff as the primary procurement mechanism for renewables.

I want to just add a dimension to this question of procurement. In our field of environmental efforts and energy efforts, we see procurement as a very powerful market force, a signal for leadership and a way to deliver on certainty, depending on how you deal with procurement. The proposed act is calling for energy conservation and demand management and it may, by regulation, require a public agency to achieve prescribed targets and meet prescribed energy and environmental standards and so forth. I want to point out this opportunity for the province of Ontario by virtue of its huge position in realty. You are representing the Ontario government, Canada's largest real estate portfolio. What we'd like to suggest is that you mandate the Ontario Realty Corp., which manages the operations for the province. So the Ontario Realty Corp. manages your real estate portfolio and provides services related to real estate property and project management to most ministries and agencies of the government. They have in place already a sustainability plan, a very good one, that deals with development, evaluation and use of low- or zero-carbon energy sources.

#### 1150

What they don't have is a target, so I'm recommending to you that you consider setting a specific target for them. What this will do is drive market interest in terms of providing the equipment, the technology and the services to reach that target. It's yet another way that you can provide both leadership and certainty.

I'll just point out that in the past, Ontario has dealt through GIPPER—which is a voluntary mechanism, mind you; I'm asking you to do a mandatory target—in dealing with procurement around reduction of waste, recycled products and so forth very successfully. It has brought, along with the provincial dollars, many of the cities or other kinds of quasi-governmental or governmental agencies.

By doing this, by focusing on ORC, you could add a fair amount of value to what you are in fact already trying to do with the act. We're suggesting that you set a mandatory procurement target for adoption of renewable energy technologies for the ORC holdings and operations. This is over and above what is already discussed on minimum standards, which would be LEED silver for any new facilities.

Secondly, I want to address this question of accountability. Friends of the Earth does support the province's plan to upload responsibility for creating strong and uniform standards to address various aspects of approvals for renewable energy projects. Having said that, we're concerned that we are also able to find some kind of balance or middle ground that ensures public engagement and accountability for these projects. The extension of appeal rights regarding renewable energy approvals goes some way to addressing our concern. I cite, in the little paper, the proposal for any resident in Ontario to request a hearing.

But the main ministry dealing with this act, the Ministry of Energy and Infrastructure, which will be responsible for the bulk of the Green Energy Act, is not currently a prescribed ministry under the Environmental Bill of Rights, which we hold to be a very important part of our democracy here in Ontario. This means that part II of the Environmental Bill of Rights, which sets out a minimum level of public participation that should be met before government makes decisions on certain kinds of environmentally significant projects and proposals, doesn't apply at all to the Green Energy Act aspect. Formal public comment periods that would typically be required under EBR will not apply, and there will be no requirement to post notices on the environmental registry. It's curious and inconsistent, we believe, that this ministry is still missing in action under the EBR, and so we are strongly urging you to rectify that situation. In the act, you are already adding responsibilities to the commissioner's role by asking him to do two kinds of annual reports, so again, we think this is a consistent addition, to make sure that the Ministry of Energy and Infrastructure becomes prescribed under the EBR.

Further, we're observing that a renewable energy facilitator and office will be housed within the Ministry of Energy and Infrastructure. We welcome the establishment of this office and position, but it does cause some consideration of how this office will differ from the recently terminated office of chief conservation officer and the annual reporting function that was delivered by that officer. Reflecting still on the important role of the Environmental Bill of Rights, the commissioner delivering that and the independence they bring to accountability in the province, we want to recommend that under the act you call for the Environmental Commissioner to do a third—so, one additional—annual report, and that would be to assess the role and performance of the renewable energy facilitator and his or her office. That totals three reports for the commissioner.

Finally, on creating a conservation and renewable energy culture, Friends of the Earth deals with both people and the planet, so in this, we want to talk about protecting vulnerable citizens not only by addressing the matter of energy affordability—you have any number of briefs already doing that, and it's critical; what we want to do is make sure that citizens at any age and in any position in life are exposed to renewable energy technologies and visible conservation efforts, which would

include both devices and behaviour, in their public spaces. I'm asking you to think about grade schools, about places of worship and about legion halls.

What we're recommending is that the province address energy affordability for Ontario's vulnerable citizens—low-income and fixed-income—again, adopting conditions laid out by the Green Energy Act Alliance and their consumer protection initiatives. Then we're adding that we would like the province to integrate incentives for energy conservation and adoption of renewable energy technologies into its aging-at-home strategy, and to support Ontario's seniors to continue to live independently while being part of this new era of green energy. Rising energy costs are a factor, and you can address them by integrating some aspects into the aging-at-home policy that was delivered, I think, in 2007.

Conservation plan requirements should be extended to include adoption of renewable energy technologies for the broader public sector. You're talking already about conservation plans by them, but we also want to see them address what they're going to do to adopt renewable energy technologies. Those are not always both the same considerations.

We'd like the province of Ontario to look at issuing an Ontario savings bond for green energy and tax credits for its uptake by seniors and low-income and fixed-income citizens. Many of us in the silver-hair set, formally called "boomers"—and I gather we're being rebranded as "zoomers" these days—have enjoyed and benefited from a wonderful prosperity in this province. It's time to invest now in this next stage, especially at this point of economic crisis. I'd like you to consider what the Ontario savings bond program can do in that respect.

Finally, on my point on home energy audits—

**The Chair (Mr. David Oraziotti):** Thank you.

**Ms. Beatrice Olivastri:** Am I done?

**The Chair (Mr. David Oraziotti):** That's time for your presentation, sorry. Thank you. We do have a few minutes for questions. Ms. Broten.

**Ms. Laurel C. Broten:** Thank you, Beatrice. Friends of the Earth has been on the leading edge of protecting the planet and individuals for many years. Does Friends of the Earth have a position with respect to the health issues that are being raised and that we're hearing about, before this committee and elsewhere, with respect to turbines and those health effects?

**Ms. Beatrice Olivastri:** I find it challenging, and the way we're looking at it is that we would recommend some comprehensive work on health effects, as in, we have adequate work being done on health effects from transmission lines, on health effects from coal-fired electricity generation, an ongoing clean air issue. So I do think it is timely and critical that we invest in some work on health effects, but that we don't postpone.

Part of the idea of the province setting standards is to do, I think, very important assessments and across-the-province standards for setbacks and all kinds of things. They have to take into account the health issues, but broadly. Frankly, I'm more concerned about coal-fired

plants, but I think all of these fit into a basket of health concerns and energy production that you do have to invest in.

**The Chair (Mr. David Oraziotti):** Thank you very much. That's the time for questions. Ms. MacLeod?

**Ms. Lisa MacLeod:** Welcome to our committee. I have but one question for you. I had several, actually, but the time just does not permit. You support the provision of home energy audits, and, of course, it's a noble goal. That said, we listened earlier to the Ottawa Real Estate Board, and we heard—and this is true, and I'd like your opinion on it—that just because one would undertake a mandatory home energy audit, it does not necessarily mean a home will become more energy-efficient. There is nothing within the legislation that makes any findings from a mandatory home energy audit mandatory to fix. I actually do not support the home energy audit, but that said, and notwithstanding my concerns, there's another concern there, and I would like your opinion on that.

**Ms. Beatrice Olivastri:** Well, first of all, I'm an old-home buff, having owned many old homes in Ottawa, so I know about the challenge of 100-year-old homes and energy conservation, and I listened with shock to the real estate presentation earlier. Anyone who is selling a home in the Glebe or Sandy Hill or in Little Italy, where I live, or other places, is in the \$250,000 to \$300,000 and up category, and \$150 to make your sale more competitive and more informative to the potential buyer is a bargain, in my estimation, especially when you can identify the investments either if you're planning to make them yourself or what would be facing the person buying the house.

**Ms. Lisa MacLeod:** The question was not about how much this would save somebody or would cost them; in fact, it's the opposite. What do you do with the mandatory home energy audit? It's information, and it's not incumbent upon anybody who receives that information to do anything about it, to make their home more energy-efficient.

**Ms. Beatrice Olivastri:** It's not incumbent, of course not, but the point of fact is, in those audits you receive a rank ordering of what your best investment would be, should you choose to make it, to reduce the cost and improve the comfort. I've been through many of these audits, and they are far superior to what a home auditor does when you're looking at the—

**The Chair (Mr. David Oraziotti):** Thank you. That's time for questions. Mr. Tabuns.

**Mr. Peter Tabuns:** Hi, Beat. Thanks very much for the presentation. One of the points that's been raised by other organizations is the need for an efficiency Ontario office, a specific agency that will drive the conservation and efficiency agenda. You haven't mentioned that, but is that something that your organization would support?

**Ms. Beatrice Olivastri:** Yes, Peter. I do find it curious that we're seeing the closure of the chief conservation officer, although that position had morphed into something that did not have the wherewithal to deliver on its earlier mandate. So yes, a conservation efficiency office would make sense. I don't understand how that

would impact on what the renewable energy office is, so we need to look a little bit at the two. I would prefer to see an out-of-ministry office, though, but with sufficient resources to do its job.

**Mr. Peter Tabuns:** I have no further questions.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation.

That concludes the morning presenters, and the committee stands in recess until 1 o'clock.

*The committee recessed from 1202 to 1300.*

**The Chair (Mr. David Oraziotti):** Good afternoon. We'll resume committee hearings of the Standing Committee on General Government. If members could take their seats, that would be great.

### ONTARIO SUSTAINABLE ENERGY ASSOCIATION

**The Chair (Mr. David Oraziotti):** The first presenter is the Ontario Sustainable Energy Association.

Good afternoon, sir. You have 10 minutes for your presentation and five minutes for questions from members. If you'd like to state your name before you begin, you can do that. That would be beneficial so that Hansard can record your comments and members will have a record of that. That's it, so go ahead when you're ready.

**Mr. Kristopher Stevens:** Thank you. Kristopher Stevens. I'm the executive director of the Ontario Sustainable Energy Association, more commonly known as OSEA, and I speak on its behalf. Thank you, Mr. Chair, for allowing OSEA to present to the committee today.

OSEA is a province-wide, member-based, non-profit organization representing the diverse community power sector, which includes individual households, First Nations, farmers, co-operative and collaborative businesses, municipalities and other local institutions.

OSEA envisions an Ontario where every citizen is a conserver and generator of green energy as either an individual or through a local community-owned business, contributing to the province's transition to 100% sustainable energy.

OSEA, a founding member of the Green Energy Act Alliance, congratulates the provincial government on its commitment to making Ontario a world leader in sustainable energy through the Green Energy and Green Economy Act. In our view, if the Green Energy Act legislation passes and is accompanied by regulations and directives that fully implement world best practices, contextualized by forward-thinking Ontarian creativity, the act will be truly world-class.

During the past several months, OSEA, as part of the Green Energy Act Alliance, has been working with its local member groups and partners to deliver more than 40 workshops across the province, with equally as many small meetings happening with local leaders and businesses.

Our hosts, to name a few, include ULERN in Sault Ste. Marie, the Bruce Peninsula Environmental Group in Lion's Head, the Windfall Ecology Centre in York

region, the Prince Edward county sustainable group in Picton, the AgriEnergy Producers Association of Ontario in Ottawa, the M'Chigeng First Nation on the Manitoulin, and many more.

Thousands of people have attended and have joined the alliance across the province, making it clear that they want a Green Energy Act where conservation and renewable energy are the priority. They want to stop being simply consumers and want to contribute to the mitigation of climate change, of health impacts from fossil fuel emissions, of the risks associated with nuclear energy around cost overruns, and of environmental impacts. They want to create energy security and jobs and to drive local economic development. They want to be conservers and generators of clean, green, sustainable energy as individuals or as partners in community-based projects. They want their leaders, whether NDP, Greens, Conservatives or Liberals, to make this the best Green Energy Act possible.

Feed-in tariffs as the primary procurement mechanism: A feed-in tariff approach is a significant improvement over the previous requests-for-proposal process, which effectively precluded community power groups from obtaining power purchase agreements due to prohibitive costs and systemic prejudices against community power.

It has been established through empirical research by groups such as the Fraunhofer Institute—and I believe you received this document from one of my colleagues from the Toronto Renewable Energy Co-operative—and Windustry that FITs are the most effective, efficient and cost-effective method to procure renewable energy.

The bill, as drafted, enables but does not require a feed-in tariff approach for the procurement of renewables. OSEA recommends that Bill 150 be amended such that the FIT program is the primary mechanism for procuring power from renewable sources.

We recommend that in schedule B, section 7, subsection 25.35(1) be changed to "shall" rather than "may," and that the section apply to green energies, which should be defined to include both renewables and high-efficiency combined heat and power. Similarly, in 25.35(2)(b), the minister's issuance of directives to guide the FIT approach should be mandatory.

While OSEA is encouraged by a community wind tariff of 14.4 cents per kilowatt hour and by the OPA's proposed rules for the FIT program, we suggest that a better approach would be to amend Bill 150, subsection 25.35(3), defining the feed-in tariff program to list natural resource intensity as a permissible basis of differentiation in addition to energy source or fuel type, generator capacity etc. This will ensure that FITs do not overpay or underpay for projects, and will allow for a higher attainment of generating capacity per dollar spent by capturing a larger bucket of projects.

Interconnection costs: No entrepreneur or lender would invest in a business venture that had no access to a market to sell its product. Likewise, the absence of a guaranteed grid interconnection and the prohibitive cost

of attaining one have long stifled progress towards building community power projects. Examples of community power projects that are awaiting access to the grid include the Lakewind joint venture between the Toronto Renewable Energy Co-operative and Countryside Energy Co-operative, which is stranded in an orange zone; the BlueWater AgriWind farmer co-operative in Lambton county, which wants to do a 57-megawatt wind project; M'Chigeeng First Nation's four-megawatt wind project on Manitoulin Island; and the Kiesel farm's 500-kilowatt biogas project in Cobden.

We are very pleased to see that Bill 150 would guarantee renewable energy generators a connection to the electric grid. The cost of connecting renewable energy generation to the grid, apart from the shallow connection costs that are in the control of and should be borne by the project developer, are being incurred for the benefit of society as a whole. Accordingly, it is not appropriate to visit these costs on a particular generator or a particular distributor's customers.

Schedule D, section 15 proposes a regulation-making authority to determine when generation connection costs are to be borne by a distributor or transmitter rather than by a generator. Schedule D, section 14 adds a new section, 79.1, that would allow regulations to spread such costs out to all customers in the case of connection costs incurred by a distributor. These sections should be amended to clarify that "all customers" is not limited to customers of that distributor and to make the mechanism for all connection costs and enabler line costs beyond the on-site shallow connection cost for renewable generation.

Supporting community power development: Municipalities such as the township of Petawawa would like to do a small hydro project right behind the town hall, moving beyond being a check box to being an enabler, partner and proponent. Groups like ULERN are looking to forestry-based biomass as a real opportunity for an ailing industry. Homeowners like the Vornwegs, who converted the old mill just outside Killaloe that produced the lumber for the Petawawa military base years ago, are already producing 15 to 30 kilowatts from their hydro project, which powers their home and a few others in the area. Windy Hills Caledon co-operative has seven landowners signed up and is ready to proceed to the next stage of their 10-megawatt project.

We applaud the government for the removal of barriers to community-based development, including the proposed amendments to the Co-operative Corporation Act that would recognize renewable energy co-ops. We also applaud the proposed empowerment of aboriginal peoples, local distribution companies and municipalities.

In order to build the capacity of Ontario's community power sector, Bill 150 should be amended to provide an ongoing funding mechanism to enable communities, First Nations, farmers and municipalities to develop their own successful green energy projects. We recommend that the province establish comprehensive financing tools. Specific measures would include loans and grants for community power projects because community power

projects require early-stage funding to cover the initial project development work, such as pre-feasibility study grants, organizational capacity-building grants, feasibility study loans, and project development loans.

Capitalization loans eligible to community power projects require simplified access to low-cost debt that enables them to retain a majority equity stake—ownership—of projects.

Capacity-building: The community power sector requires resources to build the financial, technical, social, legal and organizational templates and practices associated with the facilitation and development of locally-owned, community-based renewable energy and conservation projects.

Last, I'd like to strongly recommend that the act grandfather those early adopters who paved the way for the current act that's being put forward, as well as the feed-in tariff based on cost plus a reasonable return on investment. Please don't penalize them for doing the right thing. Thank you for your kind attention.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Mr. Yakabuski.

**Mr. John Yakabuski:** Thank you, Kris—another gentleman from Renfrew county.

**Mr. Kristopher Stevens:** Good to see you again.

**Mr. John Yakabuski:** Kris, you talked about the feed-in tariffs being variable. With respect to the availability of the resource in certain areas being less than others, what's your view on the feed-in tariff that has been established for biomass, which of course is a big issue in our area? Do you see that as being too low to make it viable?

**Mr. Kristopher Stevens:** Our recommendation document that will be going forward from OSEA as well as the rest of the Green Energy Act Alliance will be recommending differentiation based on scale of project, and a number of our members have expressed concern about the tariff being too low for some of their projects.

**1310**

**Mr. John Yakabuski:** Also, I think you talked about raising the rates on current projects to bring them in line with the FITs?

**Mr. Kristopher Stevens:** Right.

**Mr. John Yakabuski:** Would that only apply to small, community-based projects, or would that apply to larger developments as well that have been established by large wind development corporations?

**Mr. Kristopher Stevens:** The recommendation we're putting forward is for grandfathering all projects, but at the minimum, it should be for solar rooftop projects, those that have installed solar projects on their rooftops.

**Mr. John Yakabuski:** Okay. Thank you very much. I appreciate it.

**Mr. Kristopher Stevens:** You're welcome.

**The Chair (Mr. David Oraziotti):** Mr. Tabuns.

**Mr. Peter Tabuns:** Kris, thanks for the presentation. You want the language in the bill to be changed so that FITs shall be the primary method for paying for renew-

able energy. If that language is not changed, what are your concerns?

**Mr. Kristopher Stevens:** Our concern really ties into the changing landscape, and it arose this past week during the OPA stakeholder sessions, which have been going on for four weeks already and have another four weeks to go—or maybe three. If the feed-in tariff is something that can be changed or moved around, dependent on the IESO or other parties in the future, including this party that's in power right now, the tool that has already been identified as being the most effective at bringing renewables online may be hamstrung and therefore not as effective as it could be.

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

**Mr. Kristopher Stevens:** You're welcome.

**The Chair (Mr. David Oraziotti):** Mrs. Mitchell.

**Mrs. Carol Mitchell:** Thank you very much for coming and making a presentation today. We know how important community projects are. One of those projects is trying to move forward in the most beautiful riding in the province of Ontario, that being Huron–Bruce.

One thing I did want to give you the opportunity to speak to today, as this has come up a number of times throughout the hearings: I wanted you to have the opportunity to speak about who your voting members are and how much they encompass of the renewables.

**Mr. Kristopher Stevens:** Our voting members range from First Nations co-ops, municipalities, LDCs. It really runs the full spectrum of local groups that want to develop projects. I've provided a list of our current voting members in the package, as well as a couple of other documents relating to a bit of a rebuttal to some of the comments made about Denmark and the fact that they really have dropped their carbon emissions, as well as some information about Germany and their reduction in carbon emissions, as well as the jobs. I think it's of interest to point out that Germany has actually just put forward the plan to go 100% renewables by 2020.

Our community power groups run the full gamut. They're doing everything from biomass to solar to wind, and some of them are doing combinations. For instance, the Farmers for Economic Opportunity in western Ontario are right now looking at a portfolio of projects, and really OSEA is trying to put forward the idea that it's not just about small, it's not just about big; we need to have a balanced package of projects moving forward. Partnerships are a great thing, and we need a balanced portfolio of renewables to make things happen.

**Mrs. Carol Mitchell:** Just to reinforce the comments that you have made, certainly from the OFA and the rural communities, we have heard constantly that they would like to see more community-based power projects, and it gives the opportunity for rural communities to get into the business.

**Mr. Kristopher Stevens:** Totally, and I think it's really exciting that the Green Energy Act Alliance was really a grassroots movement of associations that don't usually work together that have gotten together. So you've got unions, you've got farmers, you've got First

Nations. You really have the full gamut. It wasn't big power that put things forward; it was community power.

**The Chair (Mr. David Oraziotti):** Thank you very much. That's time for your presentation.

#### RENFREW COUNTY FEDERATION OF AGRICULTURE

**The Chair (Mr. David Oraziotti):** The next presenter is the Renfrew County Federation of Agriculture.

Good afternoon, sir. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions. If you can state your name for the purposes of our recording Hansard, you can begin when you like.

**Mr. George Heinzle:** Hi. My name is George Heinzle. I'm from Prescott county, actually. I am a member of the Ontario Federation of Agriculture, and that's how I got to take this place.

We have a methane digester on our farm that's generating electricity under the RESOP program. We've been selling since over a year and a half now. We were actually the first farm in Ontario to sell electricity to the grid. I'm here on behalf of the AgriEnergy Producers' Association. We're mainly involved in on-farm digesters. So we're asking to break down the price for digesters because smaller projects are proportionately much more expensive than the larger ones. We ask that for under 150 kilowatts they put the price up to 18.7 cents per kilowatt hour; from 150 kilowatts to 250 kilowatts, to 16.7 cents per kilowatt hour; from 250 kilowatts to 500 kilowatts, to 14.7 cents per kilowatt hour; and over 500 kilowatts, to 12 cents per kilowatt hour.

The reason is, like I said, it's proportionately much more expensive, but the benefits lie in small digesters. If we could have a lot of small digesters all across Ontario on farms, it would reduce the smell. When we spread our manure on the land, it doesn't stink anymore. I'm sure you have all smelled that, and it's not very pleasant. So that's a great advantage.

It reduces pathogens. We all remember what happened at Walkerton when E. coli got into the water supply. If we don't have that in the manure anymore, it's a great advantage. It reduces methane emissions and weed seeds. It improves the fertilizer value of the manure, and it diverts organic materials from landfill sites. In our digester we're taking in off-farm materials to make more gas for our generator. That's why I find it's very important to have those small digesters out in the country.

One large advantage is that it stabilizes the grid. There are a lot of stray voltage problems on farms, and by having digesters and generators at the end of the feeder, it would stabilize that and reduce the risk of stray voltage. Furthermore, it is important to include the early adopters, like the previous speaker said.

Currently, I believe there are only four digesters selling electricity under the RESOP program, and they've led the way for everybody else, so they should not be left out. We're fighting now for everybody else to have a

better price, so it will be good if we could be included also.

I didn't want to sign on the RESOP program, but I was forced into signing because I had to start to make the payment. I asked all the way up to the minister for a grandfather clause in case there's a better program coming out, so that we will not be left out, but we couldn't get that grandfather clause.

That's it for my presentation.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation.

**Mr. Peter Tabuns:** Thank you very much for the presentation. I'm glad that you've been leading the way on biogas development digesters. How many of your neighbours would pick up on this, do you think, if the price were set accordingly?

**Mr. George Heinzle:** There's a lot of talk now amongst the farming community about digesters, but currently they do the math and they say it just doesn't pay. If we could get a good rate, I'm sure there would be a lot of farms investigating that over the next few years and looking at that as an alternative instead of expanding the farm some more to get some more revenue out of this.

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

**The Chair (Mr. David Oraziotti):** Thank you. Ms. Mitchell.

**Mrs. Carol Mitchell:** Thank you very much for your presentation, George. One of the issues we have is stray voltage. Especially in dairy farms it is a real issue, and it can affect milk production. When you talk about moving towards smaller systems, it can start to stabilize the grid. Is that something that you see would be stabilized by smaller generations of energy?

**Mr. George Heinzle:** Yes. We are very close to the substation, and we haven't noticed anything, but Paul Clancy—he was the first one to have a digester—says they noticed it themselves on their own farm and their neighbours noticed the difference, but since we are so close to the transformer station we don't see any difference. We're on a main feeder, so it goes right over to the village of St. Ann's. That's why we haven't noticed it, but if this generator was at the end of the feeder, I'm sure there would be a difference.

The other advantage, too, would be—on single-phase, the generators can't go much over 100 kilowatts, so in order to get those smaller generators at the end of the single-phase line, we would need to have a higher price to get them built.

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**Mrs. Carol Mitchell:** Okay. My other question is specifically with regard to off-farm materials. What are you accepting right now for off-farm?

**Mr. George Heinzle:** We have two products coming in now. One of them is from a small waste hauler; he picks up grease-trap waste from restaurants. The other one is from a food processing plant—it's a bacon factory—and it's just the waste grease. It's not the good fat that they trim off the bacon; it's what goes on the

floor, and that has been hauled to landfill sites and composting facilities before. We're taking that in now, and it makes a big difference in the gas production.

**The Chair (Mr. David Oraziotti):** Thank you; that's time for questions. Mr. Yakabuski.

**Mr. John Yakabuski:** Thank you very much, George, for your presentation today. We had an excellent presentation yesterday from Stanton Farms with respect to biogas, and they talked about many of the things that you talked about today, including being able to deal with what they call an unused source of energy, as opposed to waste, which is a challenge for farmers, because as long as we have livestock we're going to be producing that.

I appreciate your suggestions on the FIT rates, because I've been at the Klaesi brothers' installation, as Mr. Stevens talked about earlier. Right now it's a 50-kilowatt system and they'd like to make it larger, but the question is, is it viable at the current rates? There's also the connection issue. So we do hope that the government is listening to some of these suggestions from people, because again, we deal with two issues too: an industry that is looking for ways to augment their income, to support themselves in an era of difficulties for farmers, and at the same time, we deal with other issues such as the by-products of livestock that actually can be a problem for us, and the methane gas, which is currently escaping into the atmosphere. If we can make use of those, that's a wonderful thing. So I appreciate your input today and hope that the government is listening.

**The Chair (Mr. David Oraziotti):** Thank you very much. That's time for your presentation.

#### CEMENT ASSOCIATION OF CANADA

**The Chair (Mr. David Oraziotti):** Our next presentation is the Cement Association of Canada.

Good afternoon, and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions. Please just state your name for the purposes of Hansard and you can begin when you like.

**Mr. Michael McSweeney:** Thank you, Mr. Chairman. My name is Michael McSweeney and I'm the vice-president of industry for the Cement Association. It's a real pleasure to be here today to have an opportunity to congratulate the government on the Green Energy and Green Economy Act.

I want to share with you a little bit about the Cement Association of Canada, or as we call it, the CAC. Ontario's cement companies are names that you all know: Lafarge; St. Lawrence, which yesterday rebranded as Holcim; Essroc; Federal White; and St. Marys, and together, they manufacture over seven million tonnes of cement and meet all of Ontario's cement demand. They employ more than 1,000 Ontarians and generate over \$1 billion of economic activity in this province.

Many people are not aware of the difference between cement and concrete, so by way of a very brief cement 101 course, let me explain the difference. Cement is a

fine grey powder, somewhat like flour, that's mixed with gravel, sand and water to produce concrete. Without cement, the key ingredient, there would be nothing to bind the sand, water and gravel together, so cement acts like the glue that holds it together. I'm sure many of you have said, "Oh, look at the cement truck going down the street," when in fact, it's really a concrete truck, not a cement truck.

Cement has been made for thousands of years. It's been made the same way, and there is still no substitute for cement in the making of concrete. So please understand: without cement there is no concrete, and concrete is the most widely used building material in the world today.

One of the points I'd like you to take away today is that cement really is a strategic commodity. Governments and other users need to understand that cement and concrete are really at the heart of economic growth in the province of Ontario. Our member companies provide Ontario with a secure, stable and strategic supply of cement to support the renewal and sustainability of our vital infrastructure program. Imagine if we were held hostage to importing cement from Asia, especially with the high oil prices we experienced last summer. Our construction industry would come to a complete standstill as we waited for deliveries to come halfway around the world through the Panama Canal to service the daily construction needs of Ontarians.

As Ontario makes historic investments in infrastructure, more and more cement and concrete will be needed for the rehabilitation of highways, water and sewer systems and in the construction of sustainable and better performing, more energy-efficient buildings and homes.

Concrete highways last between 20 and 25 years, as opposed to asphalt highways, which last, on average, 10 years. Concrete highways reduce fuel consumption and pollution by between 1% and 7% and require 22% fewer light standards because concrete has a better reflective surface. I could go on ad nauseam about the sustainable and green attributes of concrete, but in the short time I have today, suffice it to say that the Ontario cement manufacturing industry has played and hopes to continue to play an increasing role in the building of a vibrant, competitive and green economy in Ontario.

With regard to the Green Energy and Green Economy Act, I would like to start off by congratulating our hometown Premier, Dalton McGuinty, Minister Smitherman, Laurel Broten and the other members of the Legislature on the introduction of Bill 150. This is truly an important piece of legislation that will provide the framework for Ontario's transition to a low-carbon future.

It's clear that significant attention has been dedicated to identifying and eliminating long-standing barriers to renewable energy projects and balancing the needs of electricity for Ontarians, as well as ensuring that Ontario becomes a leader in the green power generation.

Some of these reforms we vigorously support, including the streamlining of the review and approvals process, addressing NIMBYism, rationalizing the Environmental Review Tribunal appeal process and creating a Renew-

able Energy Facilitation Office. We also offer strong support to the government for the commitment to create a building code energy advisory council and the explicit focus placed on energy conservation through mandatory standards.

We would like to ask the committee members today to pay close attention to the potential impacts, though, on electricity prices in Ontario that may result following the adoption of this act. As a major industrial electricity consumer, we wish to point out that there is a need for this act to include appropriate mechanisms to ensure that the Ontario manufacturing sector will have access to competitive and reliably priced electricity to sustain our manufacturing operations.

One of the key objectives of this proposed act is to shift Ontario from a high-carbon to a low-carbon energy base. We believe that Ontario's cement industry can also make important contributions to helping you achieve these objectives, but to do so we need to shift the current paradigm and truly make the Green Energy Act about all energy and not just about electricity.

Cement manufacturing is an energy-intensive activity. Significant thermal energy is needed to sustain temperatures of over 1,500 degrees Celsius in order to melt the limestone, turn it into a molten substance, and then cool it so it can be ground into cement. Presently, the industry relies on imported fossil fuels like coal to meet over 95% of our primary energy needs, but as with the electricity generating sector, there are options for the cement sector to transition the industry to one that embraces the use of renewable and alternative sources and other low-carbon fuels.

A number of technical factors specific to the cement manufacturing process makes cement kilns ideal for the recovery of energy through a wide use and variety of alternative and renewable energy sources. Currently, Ontario's cement manufacturers are lagging behind our adoption of lower- and zero-carbon energy sources, whereas in western Europe, for example, about one third of the cement manufacturing industry's needs are met with energy sources other than primary fuels. In some cases, in the United States and Europe, over 80% of the fuel a cement kiln needs is derived from alternative and renewable fuels. Even our neighbours in Quebec, where we share an airshed, a watershed, and have climate change agreements, use over 25% of renewable fuels in the production of cement. Ontario's record, Mr. Chairman and committee members, is truly a dismal one. Less than 5% of the fuels in Ontario come from alternative or renewable sources.

Around the world, energy recovery in cement manufacturing through the substitution of fuels is a well-recognized and accepted practice. Don't listen to some of the environmental groups out there. It is a proven fact that using alternative and renewable fuels reduces air pollutants, including NO<sub>x</sub>, SO<sub>x</sub> and greenhouse gas emissions.

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At present, our industry is hesitant to use alternative and renewable fuel sources and energy from waste

because of the current language in provincial legislation that basically states that once a substance is a waste, it's always a waste, even if that potential fuel has been processed into a form that has only one purpose and that purpose is as a fuel.

For example, the Dongara waste pellet plant in Vaughan, which was welcomed by Greg Sorbara and the current government, uses waste from York region's residential community as a feedstock to manufacture an engineered fuel product. This waste is delivered to the plant from curbside collection. The pellet is comprised of processed material that is left over. Let me stress this again: This is made only after all of the city recycling and reuse initiatives are fulfilled; otherwise, this would go to landfill.

Energy recovery from wastes will not eat into recycling. That is a myth. It will not eat into reuse. That is a myth. There are global studies in the world to prove this. But in Ontario, because one arm of the government giveth and the other arm of the government doesn't, industries like cement plants and agricultural greenhouses cannot use this fuel made in Vaughan without getting a waste-handling and -processing permit. Waste permits are costly and time-consuming to obtain and face significant NIMBYism, all because of unfounded fears and weak-kneed policy-makers and, I dare say, politicians.

Instead of capturing the benefits of this Ontario manufacturer, Dongara in Vaughan, these fuel pellets are shipped upwind to competing US jurisdictions like Michigan. Think of the greenhouse gases your government policies create by allowing this to be manufactured and then trucked 200 or 300 miles to another jurisdiction.

Getting back to the act before us today, to achieve the province's broad and significant environmental goals, we need to look beyond the standard view of electricity production and consider the important potential contribution from thermal industrial processes.

As I've explained, like the electricity sector, our sector has the potential to combust fully renewable, purpose-grown forest and agricultural by-products, but we face similar barriers. Simply put, it's currently uneconomical to use biomass as a renewable fuel in a cement kiln. At over 40% of our operating costs, energy costs are a dominant competitiveness consideration.

**The Chair (Mr. David Oraziotti):** Sir, I'm sorry to interrupt, but that's time. If you want to take 10 to 20 seconds and just wrap up, that would be okay.

**Mr. Michael McSweeney:** Okay.

We're confident that if you allow cement kilns to burn or use alternative and renewable fuels, we would be able to dramatically reduce greenhouse gases—and isn't that the whole point of climate change? We can reduce greenhouse gases by 2.5 tonnes for every tonne of renewable and alternative fuels we use.

Thank you very much for your time. I look forward to answering any questions you might have.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Ms. Broten.

**Ms. Laurel C. Broten:** I'm wondering whether or not you can speak to the issue of the process established in other jurisdictions to get them to the state that you would want to be, where you see other waste-derived fuel being used as a source. It's my understanding that not all of those jurisdictions have defined waste-derived fuel as renewable fuel and renewable forms of electricity, but they've used different mechanisms—certificates of approval and other things—to get there. I'm just wondering if you can speak to the contrasting approaches in different jurisdictions.

**Mr. Michael McSweeney:** Ontario is the most difficult province in Canada to do business in, plain and simple. Quebec is a dream to do business in. British Columbia is becoming much easier to do business in. We have great difficulty bringing in material to even run a test burn that would demonstrate to a local community, to the ENGO community and to government that if we use renewable and alternative fuels, we aren't producing any more NO<sub>x</sub>, SO<sub>x</sub>, and we're actually reducing them, as well as reducing greenhouse gases. So Ontario really is a laggard, and we're working very closely now with Minister Gerretsen and Deputy Beggs and various members within the environment department to try to come to grips with that.

**Ms. Laurel C. Broten:** But that wasn't really my question. My question was, how did other jurisdictions get there? You're making comment with respect to the Green Energy Act, and I'm asking you whether or not there aren't other doors open to pursue the pathway that you want to pursue.

**Mr. Michael McSweeney:** We're trying to do that now with the government. We held a two-day symposium in February, trying to work with four or five different departments. It's not just energy; it's not just environment; it's not just economic development; it's a myriad of issues. But we need to move quickly in order to try to reduce the amount of greenhouse gases in the province.

**The Chair (Mr. David Oraziotti):** Okay, thank you; that's the question. Ms. MacLeod.

**Ms. Lisa MacLeod:** If I didn't know your last name, I could definitely tell by your voice that you're Colin's brother.

**Mr. Michael McSweeney:** Yes.

**Ms. Lisa MacLeod:** And that's a good thing, because he's a great friend. I know that John wanted me to point out that Colin married a girl from the great riding of Renfrew-Nipissing-Pembroke.

Your presentation was astounding; it was quite good. I think it gives us all food for thought. I want to focus, though, very quickly on a comment you made to Ms. Broten, but also was encapsulated in your deputation, about the impacts of electricity prices in Ontario on not only our manufacturing sector, but on business. When I look at this and what it would cost a small grocer in my riding—about 30% more, according to a study we had commissioned by London Economics International—it's going to be quite a burden on small business.

I would like you just to talk a little bit more about that, on how that will impact your industry and what it might do to jobs in your industry.

**Mr. Michael McSweeney:** We haven't had an opportunity to run those numbers yet, but we know that the manufacturing sector today is facing unprecedented challenges for competitiveness. Given that electricity comprises about 18% or 20% of our operating costs of a cement kiln, any increase to that without subsequent changes to policy that would allow us to save on costs of other fuels like petroleum, coke or coal—we would find ourselves in distress.

**Ms. Lisa MacLeod:** In addition to that, obviously, with the rising costs of hydro and the costs of doing business, you're also going to be confronted with another 8% on top of the GST. We've estimated costs, through our party, that do not include the 8% HST, which will admittedly be coming in in another year. How do you think that might impact you?

**The Chair (Mr. David Orazietti):** Very briefly, and you can respond to that.

**Mr. Michael McSweeney:** It definitely is going to have an effect. But by the same token, the government has looked at reducing corporate taxes. If there are some increases here and some decreases there, if we can reach some equilibrium, as long as there's an open door to industry from government—and we feel we can make our case—then we're prepared to live with that.

**The Chair (Mr. David Orazietti):** Thank you. Mr. Tabuns.

**Mr. Peter Tabuns:** Thanks, Mr. McSweeney, for the presentation today. Just to be clear, when you use the terms “renewable” or “alternative fuel,” we're talking about garbage, right? We're talking about—

**Mr. Michael McSweeney:** No, we're talking about meat and bone meal, which is today going into landfill; we're talking about biomass that's just sitting on fields. No, we're not talking about municipal waste—although this is a good example where they have gone in and separated all of the garbage out of this and turned this into a fuel. One greenhouse in southwestern Ontario has applied for a permit to use this, and that's under review today by the MOE, but the balance of the Dongara pellets go to Michigan. We're exporting a fuel that could be used here and we're taking a problem and giving it to somebody else. Ultimately, the winds are upwind; we're going to get whatever they have.

We are not incinerators; we make a product. It's not garbage in, garbage out; we have to have a very specific recipe, because at the end of the day, I don't think you want to see these 18 floors come crashing down on you because of the structural integrity of something that's been made with garbage. It's a very fine-tuned recipe. It's used all over the world. As I said, in Europe, 80% of the coal has been replaced by alternative and renewable fuels, but we will never get there in Ontario with tipping fees of \$60 a tonne.

**The Chair (Mr. David Orazietti):** That's time for your presentation. Thank you for your presentation this afternoon.

**Mr. Michael McSweeney:** Thank you very much.

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GREATER OTTAWA  
HOME BUILDERS' ASSOCIATION

**The Chair (Mr. David Orazietti):** Our next presenter: the Greater Ottawa Home Builders' Association.

Good afternoon. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions. You could start by stating your name for the purposes of our recording Hansard, and you can begin when you like.

**Mr. John Herbert:** Thank you, Mr. Chairman and members of the committee. Good afternoon. My name is John Herbert. I'm the executive director of the Greater Ottawa Home Builders' Association. It's nice to be here. I want to thank the committee for allowing us to take a few minutes of your time to make some remarks today on the proposed new Green Energy Act.

As you're probably aware, the Greater Ottawa Home Builders' Association is the voice of the residential construction industry in this region. We represent about 320 member companies involved in all aspects of the industry that, together, employ over 25,000 people. Together we produce over about 90% of the region's new housing, and we also renovate and maintain Ottawa's existing housing stock. In doing so, we serve today's homeowners and try our best to also represent the interests of tomorrow's new homebuyers. Our industry contributes about \$1.2 billion in wages to the local economy here every year.

Our members have also been on the leading edge of energy-efficient housing design and green construction practices. The Canadian Home Builders' Association began working very closely with the Canada Mortgage and Housing Corp. in the mid-1970s, when the federal government injected millions of dollars into research and development on energy efficiency issues that resulted from our first energy crisis of the early 1970s. This initiative resulted in a wide range of new technologies, materials and construction practices that facilitated new programs such as R-2000 that really remained on the forefront of energy-efficient house construction for decades. This program has now been in existence for 30 years, and while it's been eclipsed by other, more popular programs today, R-2000 helped put Canadians on the global map as producers of the best-built housing in the world.

I'm particularly proud of Canada's housing industry, having spent about four years as manager of Europe for the Canada Mortgage and Housing Corp.'s international division, where I was responsible for transferring our wood-frame housing technology to former Eastern bloc countries where many people did not even at that time understand the concept of insulation.

In Ontario we continued to refine and perfect our housing technology such that over a 16-year period, from 1990 to 2006, our housing stock increased by over 30%

but our greenhouse gas emissions remained essentially the same. This has resulted in the elimination of literally millions of tonnes of greenhouse gases that otherwise would have been released into the atmosphere and puts us light-years ahead of any other industry in Ontario, or Canada, for that matter.

For these and many other reasons, the Greater Ottawa Home Builders' Association took an early position supporting the proposed Green Energy Act, and we worked with our Ontario association in issuing a media release the day after the first reading of Bill 150. We agree with the fundamental policies being proposed. However, we'd like to offer some comments and advice on behalf of an industry that has been voluntarily providing and encouraging energy-efficient housing programs, labels and certification for over three decades.

First of all, when it comes to home energy audits, our members are the ones who design the program curriculum. They're the ones who provide the training. They build the houses, inspect the houses and renovate houses. We hear directly from all of these different member groups about what works and what doesn't work on literally a daily basis.

The proposal within the Green Energy Act for home energy evaluation is, in the opinion of these experts, precisely the type of disclosure that's needed in order for consumers to compare new housing with existing housing and also existing housing with existing housing. Home energy evaluations of all homes at the time of sale will allow educated consumers to make wise and informed decisions.

Our membership is used to retaining expert consultants in order to get things done right the first time, especially when time is short, and so we are prepared to offer our decades of experience in developing and delivering these types of programs free of charge to the minister's staff. Mr. Chairman and members of the committee, we're talking about a new program that will benefit thousands upon thousands of Ontario homebuyers in the future. On behalf of these people, I urge you to consult with our association to get this done right the first time.

We've heard some suggestions that the EnerGuide program may be utilized as the basis for referencing house performance. We would respectfully suggest that there are better alternatives. While it is a national program developed in Canada to help evaluate the performance of early R-2000 homes, the EnerGuide rating scale was not the best tool to use for this purpose.

The problem with EnerGuide is that it's not equally representational of new and existing homes. Consumers need greater clarity and consistency when making energy-related decisions as part of a home purchase. Unfortunately, the EnerGuide scale does not provide either of these. As a result, less efficient houses will score relatively well and can move easily within a small range. The more energy-efficient the house becomes, the harder and harder it is for a home to gain a single point on this scale. Consumers are therefore confused as to

how a 100-year-old house can score 45 or 50 on the scale while a brand new house scores only a few points higher, at maybe 80. Consumers intuitively know that a new home must be more than twice as efficient as a 100-year-old structure and yet the numbers, using the system, do not convey this message.

Furthermore, as you know, the EnerGuide rating scale is a proprietary standard owned and operated by Natural Resources Canada. NRCan has the ability to change the regulations for EnerGuide at any time and without any requirement for public consultation. This has caused problems with their stakeholders in the past, and we believe it will continue into the future.

There have been some serious discussions with NRCan regarding these shortcomings and it's possible that they'll overhaul the complete system within the next year or so. It would be counterproductive, we believe, for Ontario to adopt a system today only to have it undergo radical change by the time the Green Energy Act comes into force and effect. As mentioned earlier, there are alternatives, and we encourage the government to work with our experts to develop a system that provides accurate information across the complete housing spectrum.

Regarding part III of the proposed legislation relating to the energy efficiency and the efficient use of water for appliances, we concur with the Ontario Home Builders' Association that the proposal is overly restrictive. We do not believe that government was designed to pick winners and losers in the marketplace, and yet by adopting a single standard for Ontario appliances, such as Energy Star, that's precisely what would happen.

Ontario has a diverse population where one size, price and design does not suit all. If only top-of-the-line appliances are mandated, then there's no longer the product diversity that a broad socio-economic range of consumers and industry requires. We believe that governments who lead by example are always more successful than those who lead by regulation.

In this regard, on a somewhat lighter note, we believe that part IV, "Inspections, enforcement and penalties," represents serious overkill. It conjures up visions of the green secret police raiding Home Depot or, worse still, someone's home to test whether or not their dishwasher complies with government requirements.

Again, we believe government should lead by example, not regulation and policing, because we have seen so often in the past that this only drives more of the economy underground, where massive amounts of tax revenue are lost every year.

With respect to sections 40 and 41 of schedule G, the Environmental Protection Act, some of our members have expressed concern that these two sections of the proposed legislation were not intentionally meant to target new home development sites. Rather, it would appear the intent was for waste disposal and transfer sites on which water courses might be present.

In the nature of the new home development process, garbage is naturally accumulated and disposed of according to very rigid existing waste management policies.

Having an additional layer of certification would cause significant uncertainty and red tape in the development approvals process.

We already have to comply with mandatory regulations for waste management at the municipal level and do not agree with additional layers unnecessarily being added to our industry. So we believe that further clarification in these sections is required.

Finally, an area that perhaps was overlooked when developing the proposed legislation is the ability for a condominium corporation to secure green loan financing for green initiatives and how these loans should be managed. Again, we're very pleased to assist in the review and development of this if needed.

Mr. Chairman and members of the committee, to summarize, the Greater Ottawa Home Builders' Association is generally supportive of the proposed Green Energy Act. As mentioned at the outset, we do, however, have some concerns regarding the framework being proposed around the home energy audit component. Specifically, we don't believe that the EnerGuide rating scale is an appropriate tool to use as a universal measurement, and we would be pleased to offer our assistance.

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We've also observed that the act calls for a broad range of new positions to be created in order to administer and enforce various provisions. We would caution against the potential of this becoming as much of an employment generator as a Green Energy Act. We don't believe it's necessary to create another bureaucracy that only serves to add unnecessary complexity, time and money in order to pursue green objectives.

That concludes my presentation. I'd be prepared to try to answer any questions that members might have.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Ms. MacLeod.

**Ms. Lisa MacLeod:** Welcome, Mr. Herbert. It's wonderful to see you again. For those of you not from the city of Ottawa, John is a great friend to all of us here who do our work, and he's always a helping hand when we have any questions, especially in high-growth areas like mine and Mr. McNeely's. So, welcome.

**Mr. John Herbert:** Thank you.

**Ms. Lisa MacLeod:** I appreciated your deputation today. We heard from several other folks today, whether it's been the real estate corporation or other people who want builders to be more environmentally friendly.

My question for you: In the act—I'm not sure if you're aware of this, John, but under subsection 4(2) of the act, there is "Effect of designation." You spoke a little bit about condominiums. I just wanted you to be aware that "despite any restriction imposed at law that would otherwise prevent or restrict the activity" of renewable energy sources, "including a restriction established by a municipal bylaw, a condominium bylaw, an encumbrance on real property or an agreement," the minister will be able to override that.

One of the concerns we've got in the official opposition is that any agreement or bylaw or an encumbrance

between and among two parties could be overruled by the government. In your industry, I'm wondering how you feel about that, considering you are building on large swaths of land and you represent several business owners in our community.

**Mr. John Herbert:** I must confess that the act is a somewhat complicated document, so I'm not really in a position to provide you with a specific answer to the question. I guess all I could say is that we would certainly be opposed to anything that could add further complexity, delay or cost to an already overburdened system.

**The Chair (Mr. David Oraziotti):** Thank you. That's time for questions. Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you for the presentation and for being here today. Your comment about making green loans available to condominium corporations is an interesting one. Do you think there's a large market out there? Do you think we'd be able to mobilize it by providing people with financing?

**Mr. John Herbert:** Yes, I do. I think there's a lot of room to manoeuvre in that area, particularly related to things such as brownfield sites. I think there's a good synergy between that kind of green lending and brownfields redevelopment sites.

**Mr. Peter Tabuns:** I would understand that as well, but the condominiums—you're asking for the act to be changed so that condominium corporations can apply for those loans for energy efficiency.

**Mr. John Herbert:** Yes.

**Mr. Peter Tabuns:** You have a sense of the built form in this city. Is there a large market? Is there a lot of interest that has been discussed?

**Mr. John Herbert:** There has certainly been a lot of interest that has been discussed. There's no question that it's in its infancy, and there's a lot of research and development that's going on. But certainly, there is very strong interest, and I believe there would be good take-up.

**Mr. Peter Tabuns:** Okay. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you. Government caucus, Mr. McNeely.

**Mr. Phil McNeely:** Thank you, Mr. Herbert, for being here today and for an excellent presentation. I'm just looking at page 3, and it says, "The proposal within the Green Energy Act for home energy evaluation is, in the opinion of these experts, precisely the type of disclosure that is needed in order for consumers to compare new housing with existing housing and existing housing with existing housing." I thank you for that.

I know that the OPA has been working with various groups in trying to redesign the EnerGuide rating to a new rating, and I know there are some deficiencies in it. But overall, I think it's an excellent one and it's an excellent step and it can progress, hopefully, across the country in a uniform way.

I just wonder: Energy Star homes now undergo an energy rating. That's about 10% of the new homes built

that do get these energy ratings. Have you got any comments on how that's working?

**Mr. John Herbert:** So far, it's working well. It's treated very broadly. It's not very detailed or surgical. There's no policing or rigid. It has been very successful because builders have been able to adopt it very quickly on a broad scale without bureaucracy. That's really the reason that it has succeeded so quickly.

That's one of the things that I mentioned in my presentation that concerns us about the act, that if you introduce a bureaucracy—the policing, the regulation—it's not going to be adopted nearly as quickly as it might otherwise be.

**Mr. Phil McNeely:** I had a private member's bill on this initially. It came out of work we did in the city of Ottawa in 2000 with Chuck Wilson, who had a program going. The intent was always to make sure that the buyer of the new home would have that information to make the right decision, including the cost of the home plus those future energy costs, which can be equally as important. So I think what you've said here, that you support something like that—because the good builders should be rewarded, and the others who have to pull up their socks should.

**Mr. John Herbert:** Absolutely.

**The Chair (Mr. David Oraziotti):** Thank you. That's—

**Mr. John Herbert:** I'll just add one more comment on the energy—

**The Chair (Mr. David Oraziotti):** I'm sorry, sir. That's the time for your presentation. We appreciate you coming in today. Thank you.

#### NAIMA CANADA

**The Chair (Mr. David Oraziotti):** Our next presentation is NAIMA Canada.

Good afternoon, sir. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions from members. Please just state your name for the purposes of our recording Hansard, and you can begin your presentation when you like.

**Mr. Stephen Koch:** Thank you very much. I'm Steve Koch, executive director, NAIMA Canada. Mr. Chairman, committee members and staff, thank you for this opportunity to speak with you today.

NAIMA Canada is an industry association representing the majority of fibreglass, rock and slag manufacturers in Canada and is a sister organization to the 70-year-old North American Insulation Manufacturers Association. It was established in July 2004 to be proactive in the development of technical standards and to interact with governments and partners to promote the energy efficiency and the environmental benefits of its members' products. The membership consists of CertainTeed Corp., Fibrex Insulations Inc., Johns Manville, Knauf Insulation, Owens Corning Canada and Roxul Inc.

We are here today to voice our support towards the government's commitment in this bill to provide consumers, specifically potential homeowners, a tool to educate, define and compare energy efficiency within homes. A rating system allows buyers to make sound decisions based on fact and allows them to make comparisons. Consumers already look to energy-efficiency ratings to make buying decisions when buying cars and appliances. Consumers are able to look at the rating of these goods and make a fair and reasonable comparison. Rating a home will provide the same thing.

NAIMA Canada suggests that all parties within this government view the importance of energy efficiency in relation to that of new energy sources. Both the 2007 and 2009 McKinsey reports identify energy-efficiency upgrades to both residential and commercial buildings as low-hanging fruit and important first steps.

All parties recently supported second reading of Bill 101. Some MPPs' comments included, "I think the idea of having energy consumption audits makes sense in terms of consumers and in terms of their knowing what it's actually going to cost them in monthly payments to keep a house or an apartment going."

Additionally, the official opposition's platform in the last election took a leadership role by stating that they will "build a real conservation culture in Ontario that includes...."

"Requiring home energy audits before every sale of a house—so that the market will reward homes which are energy-efficient. This will be a signal to homeowners that they will get a return on energy investments in their homes."

We all seem to agree that it's important to ensure we help homeowners save money on their basic needs of heating and cooling their homes.

NAIMA Canada suggests that the committee on general government not only support the provision for mandatory home audits but also work with the building, renovation and real estate market to promote the process of informing consumers on the full cost of a home. Consumers today have indicated a need for information that they can use in determining operating costs. The only solution put forward to date by the industry has been the past three months' heating and electrical bills. This is not sufficient or relative information.

We have a major challenge ahead of us: the energy-efficiency upgrading of our existing home stock. This government and other Canadian governments have made great strides in working with the home building industry to set higher standards of energy efficiency in new home construction. Recent upgrades to the Ontario building code and programs such as Energy Star are moving the standard higher. These great strides are not impacting the largest potential: existing housing stock. Based upon international experience, the only way for true market transformation is to provide information to the consumer for use in supporting their preference.

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Recent studies and polls indicate a strong willingness by consumers to demand energy efficiency in homes.

According to the 16th annual RBC home ownership study, all of the Canadians—95%—said that low energy consumption is an important consideration when buying a home. Energy efficiency is rated just as important as the look and the appearance of the home, cited by 94%. Without this being mandatory for all homes, the buyer is at the will of the seller and cannot exercise solutions to their interests.

With all potential legislation, there will be some resistance to particular requirements. The opposition to this part of the legislation has been developed out of a misunderstanding of the facts and a fear of a reduction of business. The opposition to mandatory labelling has come primarily from the Ontario Real Estate Association, without even a consensus within their own membership.

Realtor Marg Scheben-Edey sums it up by saying: “I can’t speak for local realtors as a whole but of those I’ve spoken to, reaction is mixed both for and against.

“Personally, I feel mandatory audits are the only way we’re going to meet our provincial environmental goals in the housing sector. Audits have existed for a long time yet I have not seen any level of voluntary compliance thus far from the real estate industry. I don’t believe in the financial arguments put forth because buyers have always determined the sale price of homes; it’s worth what a buyer is willing to pay and they take many factors into consideration in their decision-making.”

Having a spouse as an Ontario-licensed real estate agent has provided me with a unique view of the opposition OREA has taken. Many agents see this as a tool to provide better disclosure for the purchaser. In today’s real estate world, buyer agents are under contract to work to the benefit of the purchaser. This bill will help in fulfilling that requirement.

The Ontario Real Estate Association has publicly opposed this legislation on a few misunderstood objections. Due to the time limitations today, I’d like to address just one of those issues put forward: The auditing process cannot be relied upon; it has no standards or quality assurance. That’s just not correct.

The current EnerGuide system, which this may be based upon, is used across the country currently for rebates, like the ecoEnergy program and legislative requirements such as building codes. Canada’s Ministry of Natural Resources is responsible for the program and the training and quality assurance of the auditors. A three-page overview has been developed by the ministry to address these misunderstandings. Training, instruction and quality seem to be a high priority for this program, and because of that, it is supported by many provinces, including this one. The capacity of auditors is proceeding as we speak, with the assurance that the same levels of quality will exist for future implementation of the mandatory energy-efficiency labelling of homes in Ontario.

It is clear that improving energy efficiency not only helps us meet our commitments but also has an immediate, positive impact on us and our families. Our industry is committed to energy conservation and will continue to work with all interested parties. Give the

choice back to the consumer by requiring homeowners to actually disclose the energy efficiency of their house. To not do so will be ignoring the majority of your constituents. Thank you.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you, Stephen. We begin the round of questions with Peter.

**Mr. Peter Tabuns:** Thank you for the presentation. An earlier presenter today suggested that we not use the EnerGuide system and that we develop another one. Do you have any comment on that?

**Mr. Stephen Koch:** I don’t think there is another one out there that currently has the testing and the input that has been used with the EnerGuide system across this country. As we move more toward consistency, hopefully across this country, more and more provinces will adopt this rating system. To have different rating systems in different provinces would be, I think, a shame.

Currently, we have a system that, yes, has some faults, but it doesn’t have faults for which we can throw it out. For example, when you go buy a vehicle and you see the efficiency rating on a vehicle, the odds of you and the way that you drive meeting those particular requirements are very low. But what it does is give you a base by which to judge, and that’s what we’re trying to do here. I think the EnerGuide rating system and the commitment by Natural Resources Canada to supply that information to provinces is something that should at least be considered.

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

**The Acting Chair (Mrs. Carol Mitchell):** Phil?

**Mr. Phil McNeely:** Thank you, Mr. Koch, for coming in today and making a presentation. You mentioned that home energy retrofits are the low-hanging fruit of conservation and have been identified as such. I’d just like to go through that.

There are 2.7 million homes that come under section 9 of the building code, which we’re dealing with—up to three-storey buildings. That’s what the private members’ part of this was doing and that’s what the training of the energy advisers is for, I believe. If we talk about 2.7 million homes, it’s extremely important—most of the energy upgrades have a payback of, let’s say just for the air sealing, probably one year, two years; and some of the windows and some of the insulation get up to three, four, five years. But generally, the paybacks on most of these energy retrofits are within the 10 years. I’ve just gone through the 2.7 million homes, and at a one-and-a-half-tonne reduction per home, we could be up to a four-million-tonne or five-million-tonne reduction of greenhouse gases on an annual basis by the time we get all our homes retrofitted in Ontario. That would be a great thing to do.

I just want you to make some comments regarding low-hanging fruit, that conservation is a way of replacing energy use, of course, and that we can do it very economically with home upgrades.

**Mr. Stephen Koch:** I personally believe that greenhouse gas reduction is important, but I think a core

element of this particular bill needs to be said, and that is that it's going to save consumers money. It's going to allow consumers to live a more comfortable life, having to pay less for their heating and cooling costs. We've seen a drop in heating costs recently, but everything indicates to me, right across this country and North America and the world, that energy prices are going to continue to rise. By providing the tools—we're not forcing anybody to upgrade their home. What we're doing is, we're providing them with the tools with which they can make an informed decision, then using some of their money to upgrade after they purchase, or to ask the owner to do it themselves.

I think, at the end of the day, the consumers are the ones who are going to benefit, and it's shown very strongly in recent reports from the Royal Bank of Canada and even from EnerQuality, here in Ontario, that consumers are looking for that information and they don't have any tool to use right now.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you, Stephen. John?

**Mr. John Yakabuski:** Thank you, Stephen, for joining us this afternoon. According to Mr. McNeely, we already know how inefficient homes are in the province of Ontario. Perhaps we don't need the energy audit, then; we just need to fix them because he already has the numbers.

Energy audits are available on a voluntary basis. Your contention that all realtors don't agree—we've had nobody from the real estate associations address this committee speaking in favour of energy audits. With the 10,000 or more real estate agents in the province of Ontario, I would be surprised that there would be unanimity on any issue, so I'm not sure that that is actually relevant, but I think right now, we have a problem with the availability of inspectors. There is nowhere near, less than 10% of the need that would be required to accomplish these audits. The true cost is not the \$300, because you also have to calculate in mileage with respect to people, unless you live in an area where the auditors are readily available, so there are a lot of issues involved here.

There is no requirement, with respect to these energy audits, that if you actually had an audit done on the home, you would have to upgrade that home should it be sold. There's no requirement. It's simply, "This is the number. Thank you very much"; negotiate a better price and move on from there. There's no requirement, so I'm not sure that energy audits themselves—in fact, I don't see that they're going to have—unless someone wants to take the home that they own and improve it for themselves and get an energy audit as a genesis of that, requiring it as part of the sale transaction, I don't see how that's going to be helpful in reducing energy use at all.

**Mr. Stephen Koch:** Well, 120,000 home audits were done in Ontario last year. That's a little bit more than 10% of the homes that sold. I personally believe that informing a consumer about the operating costs of the home is part of the purchase price of the home, because

operating costs are something that are going to live on forever and ever. You're absolutely right: There is no requirement to update it, but at least the buyer going in has the understanding of what then needs to be done in order to upgrade it to his or her standards that they might have. That particular process will motivate people, if they believe that there's value in energy audits and energy efficiency, to start to upgrade their homes more and more—

**Mr. John Yakabuski:** They can request that as part of the offer to purchase and sale—

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much for your presentation.

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#### TOWNSHIP OF BONNECHERE VALLEY

**The Acting Chair (Mrs. Carol Mitchell):** The township of Bonnechere Valley: Are you in attendance? Come forward, please.

If you could please state your name for the record. You have 10 minutes to make your presentation; then there will five minutes of questions that will be rotated amongst the three parties represented today. Thank you very much for attending.

**Mr. Bob Peltzer:** Thank you very much. My name is Bob Peltzer. I'm a municipal councillor of the township of Bonnechere Valley. I'm an immigrant to Canada. I've been here for about 23 years. I own and operate a business in Bonnechere Valley, so I wear a number of different hats.

First of all I'd like to thank the standing committee and particularly Mr. Yakabuski, who I understand was helpful in getting us into this hearing today. Otherwise, it would have been off to Sault Ste. Marie for us, which, as you would know, is quite a long drive. I looked down that list of other presenters here today and I kind of felt a little out of place. We're really the small fish in this particular sea, but we hope that you'll find what we bring to the table today worthy of consideration regardless of their origins from such a small source.

First of all, Bonnechere Valley has always been a developer of green energy. We produce clean hydro-electrical power right now, and we've actually just acquired a bit of land and do have plans to even expand our efforts in the future. We also have a number of property owners with contracts with the wind energy developers to produce wind turbines. We actually have supported every zoning bylaw change that's been required to establish the towers, and our council has been generally supportive of wind energy development and green energy in general.

We've had a lot of studies done on wind energy, and they kind of confirmed what we already knew: that Bonnechere Valley township and our area has one of the better resources for this in all of Ontario. Because of that, and because we do have some recreational and tourism properties that overlap that same resource, we felt as though we needed to really get up to speed on this issue.

We also have a significant number of recreational and non-participating property owners that have property in the vicinity of some of the better wind sites, and we felt as though we needed to look after their interests too.

So we've been involved over the last year or so educating ourselves, and members of our council have toured wind turbine installations in Prince, Kincardine, Huron-Kinloss, Shelburne, Ripley and other areas to try to bring ourselves up to speed. We haven't just taken for granted what we've read on the Internet. We've also met with energy developers—Brookfield Power, SkyPower, Air in Motion and others—to try to hear that side of the issue.

We've also listened and read almost everything we can find on the subject: reports, studies from our government and from other areas. We've even gone so far—at least, two of our council members have—as to correspond with Dr. David Suzuki to make sure we got the complete picture on this issue.

Throughout this process, we've developed an understanding that we thought would allow us to have made a fair and honest decision on the zoning issues we have been called upon to decide, with a bit of assistance from some provincial ministries, if this process had been allowed to continue. We were, simply put, willing to work with the province to bring wind energy developers and concerned citizens together in the same way we have with controversial undertakings throughout our municipal history. The people of Bonnechere Valley have always shown their ability to do this. Frankly, we think that Bill 150 needlessly throws away this heritage by removing the decision-making powers from those who live most closely to those decisions.

I'd also like to let you folks know that we're not NIMBYs out in Bonnechere Valley. As a matter of fact, a lot of folks resent it when we hear politicians at any level of government use that word to refer to people who are raising concerns. Yes, we've got some people in our township who are hysterical. We've got some people in our township who will oppose almost anything. But we've also found that the majority of people who ask questions are very supportive once their concerns are addressed. We've found that, while they may not always agree with our decisions, they realize that we will listen to them and try to find some common ground, if common ground can be found. While we don't always decide the things the way that people want them decided, people usually walk away knowing they got a fair deal out of us and knowing that we've got to live with the decisions that we make, just as they do. However, it looks like Bill 150 is going to take that away. If it does, we're hoping you're going to at least keep some things in mind from a municipal perspective.

In our studies and our talk with the municipalities, we found a few areas that we'd really like to see Bill 150 continue to look at if you are determined to remove municipalities from the process. Roads are a big one. Almost every municipality that I spoke to said that roads were a major concern. They found the need to do a road

study both before and after the major development took place. These are large pieces of equipment, much larger than we ever intended for the generally residential and agricultural roads that they're going to be going over. They tear up intersections and do tremendous damage to the structure. Unfortunately, if we no longer have the power to negotiate with wind energy companies, we need somebody to look after those things in our favour. We're hoping that Bill 150, or the regulations that put it into effect, will allow those direct negotiations with wind energy companies to continue with municipalities so that we don't necessarily develop wind energy at the expense of our taxpayers who have to repair the roads.

Property values are another issue, and I guess you may have heard this from other people today, so I don't need to spend much time on it. But one of the things we have found is that the wind energy companies are really good at dealing with people who have the sites where they want to erect the turbines, but they don't necessarily consider the other sites nearby where they might have an impact. A turbine does have an impact over an area of more than just its footprint on the ground, and there hasn't really been anything to compel them to talk to maybe the adjoining property owners or property owners who are in an area of influence around a turbine. We feel as though this isn't fair.

One of our concepts, whenever we've looked at zoning issues, has always been to make certain that whenever somebody wants to develop something it doesn't have a negative impact on his neighbour without there being some compensation or agreement on the part of the neighbour to allow that to happen. We're suggesting that Bill 150 take a look at this and determine an area around a wind turbine site where there should be negotiations with people other than just the people who are hosting the properties.

**Municipal compensation:** If these things are going to go over municipal land, they're going to need rights of way. We need to have some mechanism to be able to negotiate with them. We're not sure that Bill 150 is going to allow that.

**Decommissioning:** If I can just take a second of your time here, we've got a story to tell on this one. Bonnechere Valley township was host to a large government installation as part of the Pinetree Line radar bases back in the 1950s. It was in Foymount, and it was decommissioned in 1974. The government basically wound up turning it over to private interest to run. There were a lot of buildings there, not all of them particularly suited to municipal residential purposes. Over time, these buildings have fallen in disrepair, and due to back taxes, a lot of them came into municipal possession. The cost of tearing them down and disposing of them constituted such a large expense that today they still sit there, slowly decomposing. We don't want the same thing to happen to green energy projects that, for whatever reason, run out of steam or become an economic liability to the corporation that owns them. Today, we've got a beautiful mountain top that would look a lot more beautiful if we didn't have some of the rusting hulks of the Cold War era

sitting there. We're asking that Bill 150 establish provisions for government-controlled decommissioning funds to ensure that today's good ideas don't become tomorrow's rusting eyesores.

**Safety concerns:** I think you've probably heard about that from other people today. The only thing I would like to add, maybe, to the things they said is that everything I've heard from people in our township said that if people, particularly the province, just gave them good, science-backed information to back up the guidelines they're putting in place, most of them would be happy with it. But when you look at most of the studies that you see, they're usually financed by either one side or the other. Where are the fair and impartial studies that should be establishing the guidelines? Where is this information being communicated to people?

A good deal of what we hear is based on a lack of information, and we would think that the province should be able to deal with that. Most people, once they trust the source, if it comes from an unbiased study, are generally willing to accept the results. It's only when they're told, "Trust us; we know what's best," without proof, that they become a bit suspicious.

**Emergency response:** One of the hats I wear is as captain at a fire department, and I've talked to some other fire departments on these issues. During the construction stage, the developer looks after this issue. But after the project is commissioned, it's turned over to be run as an operating wind energy or solar energy project. It's the local community that usually takes over emergency response, and frankly, we're not trained to work in some of these areas: high-angle rescue, rescuing a person who may have suffered a heart attack or broken ankle at the top of a wind turbine tower, or the special hazards we'd have to look at around a solar installation are things that should be looked after. We strongly recommend that the companies that develop these things provide equipment and training for local emergency response, firefighters and ambulance crews that will have to go on these sites.

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**The Acting Chair (Mrs. Carol Mitchell):** I just wanted to remind you that you have about 30 seconds left.

**Mr. Bob Peltzer:** And I will probably not take any more than that.

**Tourism:** We made a presentation to the Honourable Monique Smith. I have a copy of it in the packages that I've given to you, which you can refer to at your leisure. I'll say no more on that.

**Inspection:** Our building inspectors will need special training and will likely be involved with additional expense. We're hoping the Green Energy Act will allow us to pass on those expenses.

**Assessments:** The only thing I can say about that is, the way it's set up, a \$46-million wind energy project pays one quarter of the property taxes paid by a \$750,000 lumber mill.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much for your presentation. I'll now move to the rotation of questions. We'll begin with Laurel.

**Ms. Laurel C. Broten:** Thanks for being here today, Bob, and thank you for a thoughtful presentation. I don't know if you've had an opportunity to consider or look at the presentation put forward by AMO, the Association of Municipalities of Ontario, this morning. They came forward with an idea with respect to a municipal services permit, an amendment proposed to the legislation whereby a municipal services permit would come into place at the end of the approvals of a renewable energy project, sort of sandwiched between the MOE approvals and then the building permit process, to look at some of the localized issues. I wonder if you have any comment with respect to that suggested approach.

**Mr. Bob Peltzer:** Unfortunately, I have not had a chance. I spent quite a bit of time trying to digest Bill 150, and frankly, I just got a copy of the AMO report two days ago. I'm certain that our municipality will look at that and provide comment.

**Ms. Laurel C. Broten:** Okay, thank you. If you can make sure that we have whatever information you'd like to send along to us, that would be great.

**Mr. Bob Peltzer:** Thank you.

**The Acting Chair (Mrs. Carol Mitchell):** John?

**Mr. John Yakabuski:** Thank you for joining us today, Bob. There's so much good stuff in your submission, but we do have limited time, so I'm just going to confine it to a couple of things with regard to your municipal role.

Some municipalities see this act as the thin edge of the wedge with the usurping and the removal of the decision-making authority by local government, and I'll ask you about that in a second.

Are you also aware that there's a section of this act, schedule A, subsection 4(2), that prohibits, or renders null and void, any agreement between two parties? Let's say I purchased a piece of property from you, and there was a restriction on it that there would not be a renewable energy project or a wind farm on it or whatever, and I bought it from you under that understanding. This bill allows the minister to go in and overrule that basic property right, that you bought something with an understanding between two parties. That's in the act.

Again, more about the municipal powers, because you, as a councillor, would be best able to comment on that: There are some who are concerned that this is the thin edge of the wedge, and down the road there will be no need for municipalities because the province is going to make all your decisions for you.

**Mr. Bob Peltzer:** I do think there is that fear on the part of municipalities. I don't think the province, if they were to go that way, would realize a good result. Municipalities have carried a large load for the province over the last 150 years. For the province to be able to provide the services to the degree municipalities do, I stagger at what the cost would be and what the result would be. We are very good at creating solutions to problems. We're very good at bringing together two sides that are at war with each other. We're not always suc-

cessful, but boy, they really like the results most of the time.

**The Chair (Mr. David Oraziotti):** Thank you very much.

**Mr. John Yakabuski:** Thank you, Bob.

**The Chair (Mr. David Oraziotti):** That's time. Mr. Tabuns?

**Mr. Peter Tabuns:** Bob, thanks for the presentation. It's well put together. One question I have is on emergency response and your suggestion that a green energy facility pay extra funds to make sure that any emergency response is dealt with properly. Do you have that in place for any other industry in your community?

**Mr. Bob Peltzer:** At least in our community, we don't have any other industry that presents any unique set of problems that we wouldn't normally face. The timber industry—a lot of the guys on our emergency response team have worked in that before, so they're familiar with the pitfalls and problems peculiar to that industry. With things like, for example, hydro and propane gas installations, they do provide training for us. When we talked particularly to Huron-Kinloss and Kincardine, they found that it was essential that their people be trained in high-angle rescue with regard to wind turbine installations. Solar, I don't know. I think there'd be more of a danger of us maybe damaging something if we were to attempt a rescue effort there. Obviously, we're used to working around voltages.

**Mr. Peter Tabuns:** That's very useful. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much. That's time for your presentation.

**Mr. Bob Peltzer:** Thank you very much.

#### LANARK FEDERATION OF AGRICULTURE

**The Chair (Mr. David Oraziotti):** Our next presentation is the Lanark Federation of Agriculture.

Good afternoon, and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions from committee members. Please state your name for the recording purposes of Hansard, and you can begin your presentation when you like.

**Ms. Andrea McCoy-Naperstkw:** Thank you very much. My name is Andrea McCoy-Naperstkw. I'm president of the Lanark Federation of Agriculture. This is my colleague Lillian Drummond, who is a director of the federation.

The government of Ontario has taken a step to ensure generations to come will live in a clean, healthy Ontario. The Lanark Federation of Agriculture and its membership are here to work with our provincial government to ensure that the environment, nature and our rural life are healthy and here for generations to come.

The introduction of the Green Energy Act proposes to boost investment in renewable energy projects, increase conservation and create green jobs and economic growth in the province. We, as members of the Lanark Federation of Agriculture, see it as an opportunity for the sus-

tainability of the agricultural industry in Ontario while maintaining the fundamental objectives that the Ontario government is proposing through the GEA.

The Honourable George Smitherman, Deputy Premier and Minister of Energy and Infrastructure, stated, "Our ambition is to increase the standard of living and quality of life" of all Ontario farmers. "This is best achieved by creating the conditions for green economic growth." Green economic growth is something that the agricultural industry in Ontario has been a part of since the foundations of this province were set. Farmers and rural agricultural businesses worked with the environment long before it was the fashionable thing to do. We have a very close relationship with Mother Nature and have taken on the stewardship of the land as it was passed down by our parents. Travel around Ontario and you will see the new generation of farmers and agribusinesses carrying on the family tradition.

When you, provincial members of Parliament, start building a stronger, greener economy with lasting, well-paying jobs, do this by helping local communities to build, own and operate their own renewable energy projects. Please remember agribusiness and work with respect and listen to the leaders and representatives of the Ontario Federation of Agriculture. We can contribute to meet your objectives and make this bill successful by developing renewable energy projects.

As a start and based on some very rough guesses, farms may be able to contribute biogas from manure—3,500 to 5,000 units of approximately 200 to 250 kilowatts each, on average, for a capacity of between 0.7 gigawatts and 1.25 gigawatts of peaking capacity well distributed around the province. Each of these units can add over \$30,000 in net income on the farm.

**Biomass:** At present, Ontario farmers can produce about 50 million tonnes of biomass a year without disturbing food production. This would be sufficient to run about two gigawatts of peaking capacity. This could be used on its own or co-burned with natural gas at existing fossil fuel plants or as supplemental heat to provide peaking capacity from nuclear plants. Longer-term and with suitable prices, Ontario farms can likely provide 16 million tonnes or more of biomass annually. At a two-million-tonne-per-year level, this would add over \$30 million to annual net farm income in Ontario. That is a 5% take-home raise for farmers. In addition, it would reduce CO<sub>2</sub> additions to the atmosphere by approximately 165 million tonnes each year and bring the levels of NO<sub>x</sub>, sulphur and mercury released down by a factor of over three.

**Wind:** Most farms do not have good wind. Nonetheless, Ontario could easily have 7,500 to 10,000 wind towers. As has been said many times, this is expensive, unreliable electricity. On the other hand, it is a clean, low-cost replacement for auto or light truck fuel. So a Green Energy Act that enables wind as fuel and a Green Economy Act that enables electric cars can be a balanced step forward for Ontario.

**Solar heat:** For a one- to three-storey building, solar heat can provide an effective space- and water-heat re-

placement. On farms, we anticipate that the cost of heat for pork and poultry barns can be reduced by approximately 70% using solar heating.

**1430**

**Solar electric:** Farmers are worried about losing good farmland to solar farms. One hundred acres can provide a 10-megawatt solar farm or it can produce 500 tonnes of corn, sequester 200 tonnes of carbon and produce 200 tonnes of residual biomass for fuel, which in turn displaces 70 tonnes of carbon from coal. Solar electric is fine on buildings and maybe even on fence rows—and a 100-acre farm would have over two miles of fences—but should be avoided on good farmland.

In consultation with our municipal government and through local community liaison co-operation, we can develop good, green solar projects on marginal farmland respectful of distances from rural residents that will promote a greener energy source and financial alternative to agribusinesses.

The Lanark Federation of Agriculture, part of the 38,000 members of the Ontario Federation of Agriculture, is behind our representatives and leaders. We are proud to be part of a bill that has the potential of ensuring a greener vision for future generations of Ontario. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Mr. Yakabuski, questions?

**Mr. John Yakabuski:** Thank you very much, Andrea, for joining us and presenting today. We've had the pleasure of having a number of submissions and deputations from the OFA, as a governing agency, and also from its members, and we appreciate your input with respect to support and concern for the Green Energy Act. I think that it's important that we hear all of those sides, because we tend to only hear one side of it when we're getting it from the government. Their plan is to promote this the way it is, and—hopefully we might see some amendments in some of the things that the OFA and people like yourselves have proposed. We do hope the government is listening because there are some things that can be done that can actually help the agricultural community. There are opportunities in the act for those in the business of farming. I don't think anybody in the country is unaware of the challenges in agriculture today, so things that can be done to help them—certainly, we're there to try to support you, and hopefully the government is listening as well.

**Ms. Andrea McCoy-Naperstkow:** Thank you very much.

**The Chair (Mr. David Oraziotti):** Mr. Tabuns?

**Mr. Peter Tabuns:** Andrea, I want to add my thanks to you as well for coming down and making the presentation. I assume that the act has been discussed among members of your federation. Is there substantial interest in getting involved in green energy production among your members? And if so, in which particular area are they interested?

**Ms. Andrea McCoy-Naperstkow:** Yes, I believe there is a real desire to be part of this. As I stated here, I

think it's indicated that we're not biomass, manure production, wind or solar, that in any of those areas we've had different people interested in doing different things. So I think basically what we want is the chance to be part of it, and in being part of it, let's try to see how many different ideas we can get and what we can do to keep it going.

**Ms. Lillian Drummond:** Just to add to that, it's seeing that there are opportunities, but with the opportunities there also have to be buffers away from other businesses, residences. I think the member that we heard just prior explained a lot of the problems that can come from new projects. In farming, products that used to be considered waste products can now be used and we have the opportunities that we didn't have before. But for certain things like the solar and so on, there is concern out there that these have been put into agricultural zones and they are going to eat into the dwindling resource we have. We can't continue to reduce prime agricultural farmland. We've seen too much of that going to residences and other areas. This is just another area we're concerned about, that when you get solar power or wind turbines, they're going to go into areas and eat away and erode our agricultural land. Even if they're not on agricultural land, the buffer zones that we need away from these projects have to be considered because, again, that does eat into our land if the buffer zones are not properly—

**The Chair (Mr. David Oraziotti):** Thank you. That's time for questions. Mrs. Mitchell?

**Mrs. Carol Mitchell:** I sincerely want to thank you for your presentation today. I can hear the enthusiasm right through the paper—not only through your voice but through the paper—for what you think about the Green Energy Act and the ability for it to enhance the capacity for our agricultural community, our rural way of life. We really do see it as an opportunity, and that's what I hear from you ladies today, so I want to thank you.

We know and we recognize that there are some outstanding issues that you have clearly addressed. Staged pricing is one of them, and distances of separation, just to name a few. One of the things we have a discussion about, and I wanted to get your opinion, is the conversation about using food for energy and the balance of that.

**Ms. Andrea McCoy-Naperstkow:** That's just what it is, a balance. If anyone knows anything more about food production from both ends of it, in the sense that we use our food to feed our animals and at the same time to put it toward energy or to put it toward human consumption, it's a balance that will change every year because, as I said in my presentation, we are great partners with Mother Nature. I think there have to be some allowances that look on an annual basis at how that balance is actually done, whether it's kind of through quotas or look at some way of equalizing and keeping all the parties happy, so to speak. It's not an easy thing to do.

**The Chair (Mr. David Oraziotti):** Thank you. That's time for questions.

**Ms. Andrea McCoy-Naperstkow:** Thank you very much.

**The Chair (Mr. David Oraziotti):** I appreciate it. Thank you very much for your presentation.

#### COUNCIL OF CANADIANS

**The Chair (Mr. David Oraziotti):** Our next presentation: Council of Canadians.

Good afternoon and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions from members of the committee. If you can just state your name for the recording purposes of Hansard, you can begin your presentation.

**Ms. Andrea Harden-Donahue:** Great. I'm Andrea Harden-Donahue, energy campaigner with the Council of Canadians. Thank you for the opportunity today to speak on behalf of the Council of Canadians.

The Green Energy Act contains many positive elements and recognizes the benefits of fostering a green energy economy in this province which will help address both the climate and the economic crisis. I will focus here today on identifying the risks we see posed by international trade rules to ensuring environmentally friendly, secure electricity for the benefit of Ontarians and options to mitigate these risks. This is relevant to your view of the Green Energy Act and the extent to which it results in regulations, continuing Ontario down a path of free-market-oriented policies in the electricity sector.

To provide some background, the Council of Canadians is an organization with members and volunteer chapters across the country. We work to promote progressive policies in areas such as fair trade, clean water, energy security, public health care and other issues of social and economic concerns for Canadians.

On energy security, our organization calls for strong policy in the form of a Canadian energy strategy based on the principles of energy security and ecological sustainability. We have identified how free trade agreements such as NAFTA and greater energy integration with the US can undermine these principles. In the past, international trade rules and US electricity sector regulations had very little to do with Ontario's electricity sector because it was in public hands. Market-oriented policies began under the Harris government. It has led to more private investment in Ontario's electricity sector and increased market integration. By this I mean better access to the US electricity sector. This has given these rules new relevance.

NAFTA and US electricity sector rules impose significant constraints on public policy and regulatory options that may affect trade with the US or the activity of foreign investors within Ontario's energy market. They give private investors significant rights. Examples include the prevention of export restrictions in NAFTA's investment rules, Chapter 11. With greater private sector involvement in the electricity sector and more market integration, these rules can pose risks to ensuring secure supplies of electricity for Ontario, fair prices, and that the benefits of renewable energy generation are felt in Ontario.

#### 1440

Here are some examples. With higher electricity prices in the US, exports are an attractive option to the private sector. Already, private companies, many of which are foreign-owned corporations, do the majority of Ontario's electricity exports. If exports of electricity or attributes of it by the private sector increase, Ontarians may be forced to compete with US markets, driving electricity costs higher, with potential social consequences. With a growing willingness to pay a premium for clean power in the US, exports of electricity from renewable resources or its attributes will be particularly attractive.

The Green Energy Act proposes using advanced renewable tariffs as a key policy tool for fostering more renewable energy generation in the province. While government procurement contracts with the private sector provide some protection from the risks identified here posed by trade rules, these contracts do not entirely insulate Ontario or the Ontario Power Authority from investor-state litigation under NAFTA's investment rules. Also, it's important to recognize that when contracts with the private sector end, power generation remains in private hands, meaning that these rules and risks apply.

If regulation stemming from the Green Energy Act allows for private generation in private hands, subject to no procurement or relationship with the province or Ontario Power Authority, generators will be free to enter contracts for supply of energy or its attributes to US buyers. Here the identified risks become particularly salient. The extent to which the Green Energy Act results in greater private sector investment in the electricity sector determines the extent of the risks posed by these rules to ensuring secure supplies of environmentally friendly electricity to Ontarians.

There are options that mitigate these risks that are relevant to your review of the Green Energy Act. First, public and community power, including municipalities, local electricity utilities, individuals, First Nations and community-oriented, not-for-profit co-operatives, mitigate the constraints posed by trade rules. The Green Energy Act opens a number of exciting opportunities to promote community power. We are particularly excited about the opportunities that the Green Energy Act provides for municipalities and local generation companies regarding renewable resources. Opportunities for private generation remain. It is the opinion of the Council of Canadians that the Green Energy Act should work to foster investment that expands renewable energy generation in public hands because this is the best route to ensuring a sustainable and reliable energy supply for the benefit of Canadians and of Ontarians.

Second, interprovincial power-sharing agreements are virtually unencumbered by the constraints imposed by trade rules. Such agreements can also help to meet renewable use intentions within this province. In particular, prioritizing greater energy trade with Quebec holds significant promise. It can take advantage of the provinces' electricity demands peaking at different seasonal

times and synergies between wind power and natural gas generation and hydroelectric resources. This is also a cost-effective option. A recent report released by the Ontario Clean Air Alliance finds that the benefits of increased Ontario-Quebec electricity trade could provide the two provinces with economic benefits in excess of \$1 billion per year. These agreements should be considered under or in addition to the Green Energy Act.

Third, energy conservation and energy efficiency measures have great potential for reducing emissions and fostering a green energy economy. After all, the greenest energy available is the energy we don't have to use. A number of other organizations have come before you, outlining areas where conservation and efficiency measures can be improved in the Green Energy Act. To this we would add support for combined heat and power projects being included in the act. We also recommend supporting made-in-Ontario or made-in-Canada clean energy technology innovations both in the renewable energy sector and energy efficiency through procurement contracts using these technologies in the public sector. This is another way to meet ecological objectives and support local jobs. In the past, the Ontario Power Authority spent significantly more money on new electricity generation as opposed to conservation and efficiency measures. This should change under the Green Energy Act.

I'd like to add that the Council of Canadians supports other organizations such as Greenpeace in a demand that Green Energy Act subsection 5(1), which allows the Minister of Energy to direct the Ontario Power Authority to build new nuclear reactors without any public review by the Ontario Energy Board, be amended to prevent it from being used to enable the construction of nuclear reactors. The Council of Canadians is opposed to new nuclear developments which are not clean, safe, peaceful or economically sustainable.

In conclusion, the Council of Canadians encourages you to take seriously the risks and opportunities we have identified here in the review of your Green Energy Act. This includes the risks posed by international trade rules in ensuring secure supplies of affordable-priced, renewable energy generation for the benefit of Ontarians with greater private commercial involvement in power generation. The opportunities include the benefits of public and community power, interprovincial power-sharing arrangements and renewed efforts for energy conservation and energy efficiency.

Thank you for the opportunity to speak to you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Mr. Tabuns?

**Mr. Peter Tabuns:** Andrea, thanks very much for that presentation. The section that you asked be amended, the one that, in your opinion and in the opinion of David Poch and others, is one that would allow the minister to procure nuclear-generated power. Do you have a legal opinion as well on that that backs up that concern?

**Ms. Andrea Harden-Donahue:** At this time, we don't have a legal opinion, but we do have the opinions

of others who specialize in areas of nuclear and spend a lot of their time in energy and understanding the effects of nuclear energy in Ontario. I think, suffice it to say, that any opportunities to expand nuclear energy in Ontario should not be pursued.

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

**The Chair (Mr. David Oraziotti):** Thank you very much. Ms. Broten?

**Ms. Laurel C. Broten:** Thank you very much. You've given us a lot to think about in your presentation.

I'm wondering whether there are any specific, immediate circumstances that you can direct us to that perhaps have made your concern arise with respect to NAFTA trade agreements, or if the issue that you're raising is primarily something that we should be concerned about at the conclusion of an entered-into feed-in tariff if that feed-in tariff wasn't renegotiated.

**Ms. Andrea Harden-Donahue:** I think you can look to the oil and gas sector, which is primarily privatized in Canada, and see what's happened there since NAFTA. I think what you'll find is that primarily, energy is exported out of our country: close to two thirds of oil and 60% of gas. Meanwhile, Atlantic Canadians rely on imports to meet close to 90% of their oil needs. This is a significant disparity between what is produced in Canada and what is available in Canada.

We have concerns when it comes to energy security: What happens if there's market instability? What happens if there's political instability? What happens when the reality of diminishing energy resources, which is very proven, comes to bear on Canada? Are Canadians prepared for that? We would argue no. I think when it comes to the electricity sectors, what we're saying is that now is the opportunity to ensure that this doesn't happen when it comes to electricity. The vast opportunities to do that are what I outlined today: ensuring that it's in public and community hands, which are accountable to communities, to the government, to the people and the environment, and enhancing interprovincial energy-sharing agreements and focusing on efficiency. So I think the example that I would look to is the oil and gas sector in Canada, the insecurity that we have now, and opportunities to mitigate this in the electricity sector.

**The Chair (Mr. David Oraziotti):** Thank you. That's time, Ms. Broten. Ms. MacLeod?

**Ms. Lisa MacLeod:** Thank you very much, Andrea, for coming in today. I had a quick question for you early on, and I regret that I don't have a handout, but you talked a little bit about what the Council of Canadians does. You had the three lines, about health care and other things. Could you repeat that for me?

**Ms. Andrea Harden-Donahue:** Sure. The Council of Canadians is an organization with members and volunteer chapters across the country, and we work to promote progressive policies on fair trade, clean water, energy security, public health care and other issues of social and economic concern to Canadians.

**Ms. Lisa MacLeod:** So social and economic concerns. The reason I wanted to make sure that that was

there is that this bill could, according to London Economics International, increase energy bills anywhere from 30% to 50% on consumers. That doesn't just mean the middle class, who are struggling right now; it also means those right now who are in dire need of assistance, either from the government or who are looking for a job. And I'm wondering how this bill fits the bill under your other mandate as a socio-economic engine in the province.

1450

**Ms. Andrea Harden-Donahue:** I would defer to organizations like the Green Energy Act Alliance that have quite a bit of information indicating that renewable energy sources will in fact not necessarily be more expensive.

On this point, what I would add is that, yes, of course, accessible and affordable energy should be a priority for any government when it comes to the electricity sector. Energy is of fundamental importance to people. Definitely, that should be a priority. But my read and my understanding, our understanding, is that renewable energy does not have to be expensive, and that there are—

**Ms. Lisa MacLeod:** Unless it's government-subsidized. Right now we pay [*inaudible*] a kilowatt. That could jump to anywhere between 45 to 56 cents per kilowatt. That would be hard-hitting on any low-income consumer, particularly those who are on fixed incomes, such as seniors.

One thing that I've taken away from the last month while we've been debating this piece of legislation is the economic impact it will have on Ontarians. I would encourage your group to look at that and see if there are ways that the government can assist.

**The Chair (Mr. David Oraziotti):** Thank you. That's time for questions and comments. Thank you very much for your presentation.

#### ENVIROCENTRE

**The Chair (Mr. David Oraziotti):** Our next presentation is EnviroCentre.

Good afternoon. Welcome to the Standing Committee on General Government. You have—

**Dr. Dana Silk:** Thank you, Mr. Chair. My name is Dana Silk. I'm the general manager of EnviroCentre.

**The Chair (Mr. David Oraziotti):** Go ahead and get started. You have 10 minutes, and five minutes for questions. You've been here and you have an idea of the process.

**Dr. Dana Silk:** Okay. You've been given a copy of the PowerPoint presentation—I'm not going to put it up on the slides—plus you have been given a sample copy of a home energy audit. You can certainly keep the PowerPoint presentation and send that around, but I ask that you not provide the copy of the home energy audit, because it is done on somebody's house. We did block out their names. I particularly ask you not to give it to any journalist from the Toronto Star. That's an inside joke.

On the first page of the PowerPoint presentation, you'll see that EnviroCentre has considerable experience helping low-income households in Ontario, whether they're heated with natural gas or electricity. In fact, we've facilitated investments of almost \$2,000 in over 500 low-income households. Recently, we've been working with Enbridge. We've brought postwar homes, 50-year-old homes, up to current Ontario building code standards, and they're now saving \$500 a year.

That little graph there with the blue bar charts: That's the actual reading of somebody's electricity bill before and after we went in and did the retrofits. You can actually see measured results of reductions in their electricity consumption—in this case, about 7,000 kilowatt hours a year. They're saving about \$800 a year. These are very cost-effective investments by utilities in the province.

Down at the bottom, you can see the CEO of the second-largest social housing agency in Ontario, Minister Madeleine Meilleur and some officials from Enbridge. We are able to bring these actors together—actually, in basements.

So our experience over the last number of years in various low-income homes—but also in 10,000 ordinary homes—indicates that we have facilitated the investment of about \$30 million in energy-efficiency upgrades.

Why is that important in the context of this bill—which, by the way, we strongly support. We're a little nervous about the regulations, the details; the devil can be in the details. We strongly support this bill because green investment creates nearly four times as many jobs as spending on oil. A recent study in the US, done, I think, by the new administration, indicated that if what they were doing in the US were applied to Ontario, we could in fact generate 65,000 jobs by not spending on oil, or coal, probably.

If we had done what California has done over the last 30 years, we could have generated 450,000 full-time-equivalent jobs in Ontario. That's a lot of jobs. California has done that because they've been investing in the kind of Green Energy Act work for almost 30 years now.

In terms of investments in green infrastructure, what we really need to do is retrofit all social housing units in the province, because the province is paying for a lot of the energy bills. We need to persuade Minister Baird to remove the cap. Currently, social housing agencies in Ontario can benefit by up to \$1 million per agency from the ecoEnergy program, and we need to remove that cap. It's an average, and it makes no sense. We need to persuade—or you need to persuade—Minister Raitt to include electricity and perhaps exclude furnaces from the program. We could get into that if somebody wants to. We need to install energy-efficient appliances in social housing units, especially if they're made in Ontario. We need to update the OMB, the OEB. We need to do to some of the other organizations in Ontario what the Green Energy Act is doing on the energy side.

What have we done over the last 10 years or so? We have delivered over 10,000 EnerGuide for houses or

ecoEnergy evaluations. What do these things do? As you see in your report, they provide an estimate of the energy costs based on standardized conditions, not behaviour. Thus, they're an ideal way to compare homes. They disclose information from an independent source—and I think that's one of the reasons why the real estate industry just doesn't like this, because it will no longer allow the real estate agents to get away with saying, "Oh, this house is easy to heat," without telling the prospective buyers, "Those people were never home during the day," or, "There was hardly anybody living in that house anyway." More importantly, these reports enable informed decisions based on the total operating costs and the capital costs. And they do help owners improve their home equity by investing in cost-effective upgrades. You'll see from the photo there, one of our guides—one of the main benefits of this program is that it includes a Canadian technology: It's called a depressurization test. It includes the blower door, and it provides very scientific data on the house.

If you turn the page over, you'll see in the report that what everybody gets is a bar chart showing the level of the energy efficiency of their house before and after, and what should be done.

What have people actually done? We've got lots of data on what people actually do and how much they invest. In fact, the average investment, 61%, is about \$3,000. So for the real estate industry to scream and holler and say the sky is falling and they can't afford these upgrades—we can afford these upgrades.

Up until last week, I'd never heard of the Ontario Real Estate Association. It may want to oppose this bill, but when it starts spreading misleading information about my profession, I don't like it. The mandate of the Ontario Real Estate Association, according to its website, is to "maximize business opportunities" for its real estate agents. It's not to provide an accountable, transparent real estate industry in Ontario, and I think that's very regrettable.

If you read through this, you'll see that the Ontario Real Estate Association is running out of adjectives to describe the costs of this program. In fact, it only costs \$200 to do this. There is no obligation to do any retrofits. In its document, OREA mentions the \$150 rebate from the province of Ontario, which is a good thing, but forgets to mention that everyone who gets one of these things done, either the buyer or the seller, could also qualify for up to \$10,000 in grants. OREA forgot to mention that.

OREA goes on and on about how most homeowners will not recover retrofit costs through rebates and energy savings. That's simply nonsense. The ecoEnergy program only recommends cost-effective upgrades, and most of the upgrades that we've been recommending over the last almost 10 years now are highly cost-effective. They pay for themselves, on average, within two to five years.

OREA also falsely points out that home audits do not apply to individual condos. That's not true. We've done

hundreds of individual condos—mostly low-rise, of course.

OREA also goes on and talks about how this program would restrict labour mobility. It raises fears about insurance companies charging more. That's simply not true.

One of the biggest complaints I have with OREA is that it pretends it wants to promote voluntary home energy audits. If that is true, I ask, where has the real estate industry been for the last 10 years? Every time we've tried to get the real estate industry involved on a voluntary basis in this program, they have said, "No. We don't want to do that. It simply represents another obstacle to a sale. What we want is a quick sale and to close the deal so we can get our commission."

**1500**

Has this been done before, you might ask? Yes. In 2003, the European Union passed similar legislation to require home energy audits not simply on existing buildings but on new buildings and perhaps, importantly—it goes further than this legislation—on houses that will be rented or leased.

In terms of capacity, do we have the capacity to do it? Of course we do. Last year, the latest figures indicate that 130,000 home energy audits were conducted in the province of Ontario. Even according to OREA, they're saying that 213,000 houses sold last year. So we have already the capacity in Ontario to do more than half the average number of homes that are sold every year.

**The Acting Chair (Mrs. Carol Mitchell):** I'd just want to let you know that you have about 30 seconds left.

**Dr. Dana Silk:** Forty-four—sorry.

**The Acting Chair (Mrs. Carol Mitchell):** You're not allowed to argue with the Chair.

**Dr. Dana Silk:** Sorry. In terms of capacity, as I said, EnviroCentre has done over 10,000 in eastern Ontario. This week, in fact, I met with the Ottawa chapter of the Ontario Association of Home Inspectors, about 40 or 50 guys. They're lining up to get trained and to deliver this program. We expect to double our team to probably 30, maybe 40 advisers by the end of the year.

In the last photo that you've got, those are some of our advisers. What you'll see is that they are all young professionals. They're ready to build a professional career in this field.

Thank you, Madam Chair.

**The Chair (Mrs. Carol Mitchell):** Thank you. We shall begin the rotation with Phil.

**Mr. Phil McNeely:** Thank you, Mr. Silk, for coming in and making that presentation today. The Conservative party in their platform in 2007 supported the energy audits. It's right in their platform, and I think they were right then.

I think that the federal government in 2004-05 identified home energy retrofits as low-hanging fruit, the best bang for the buck on conservation. If you can get this low-cost conservation in our energy mix, which has gone back to the OPA and will be coming forward again—the minister directed them to have more con-

ervation, more renewables and more conversations with the First Nations. But when that comes back, I think that the conservation is going to be very high. The nice thing about this: Your home is cosier, your energy savings pay for the retrofits, you create jobs, and it's all good things.

You've been doing this for five years, 10 years?

**Dr. Dana Silk:** Ten years.

**Mr. Phil McNeely:** How good is the energy rating in the industry, and does it require some changes? These were some of the things we heard today.

**Dr. Dana Silk:** You mean the actual program that we've been using? The software started to be developed by CMHC almost 30 years ago. It's a very good Canadian technology. It's an excellent program. Of course, there are always some bugs in it, but we're making significant improvements, and EnerCan now has an enormous database.

It's true that, in general, we know how to make houses more energy-efficient, but every house is different. Houses may look similar from the sidewalk, but every house is different. That didn't used to be the case 10 or 20 years ago. So the blower door test, to go into each house and measure that house, is extremely important, particularly because of the health and safety issues related around inadequate ventilation.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you, and we'll move on to John.

**Mr. John Yakabuski:** Thanks for your presentation, although I do have some problems with it. You talk about energy audits not being done—where are they or where has it been with respect to OREA? Yet, 130,000 audits were done in Ontario in 2008-09, which would indicate that, on a voluntary basis, it is working; yet there's no requirement after an energy audit is done to proceed with any upgrades. It simply gives you a score. So I'm not sure how that improves energy efficiency.

I must say that I find your attack on real estate agents and professionals and OREA as a group somewhat tasteless. My wife's a real estate agent and I found some of the things you said quite insulting.

**Dr. Dana Silk:** Well, if I may, I didn't attack the agents; I attacked their lobby organization. My understanding is that OREA does not represent and they have not adequately consulted their members on this point.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you. We'll move on to Peter.

**Mr. Peter Tabuns:** Dana, thanks very much for the presentation and the data you've put before us. Two questions: The report that you cite on page 2 of this hand-out about job creation potential—could you give us the name of that report?

**Dr. Dana Silk:** Yes, I could.

**Mr. Peter Tabuns:** Okay. I'll wait until you're finished.

Today, when we were given a presentation by OREA on the audits, they made the argument that if you have the audit done before the home is sold, then you have to have it audited again under the new owner, if one wants

to apply—shaking your head is not good enough for Hansard, I'm afraid.

**Dr. Dana Silk:** Oh, I'm sorry. The audits are actually on the home, not the owners.

**Mr. Peter Tabuns:** Fine.

**Dr. Dana Silk:** We've had a couple of cases where very good owners have sold their home and left the report with the new owners, and the new owners call us up and say, "We've got this report. It says we should do this. If we do this, will we get the money?" And the answer is yes.

**Mr. Peter Tabuns:** Okay. So there is no legal change that has to come about to make sure that we don't have unnecessary audits?

**Dr. Dana Silk:** It's a little more complicated now because of the property tax information, but the point is—

**Mr. Peter Tabuns:** Notwithstanding—

**Dr. Dana Silk:** That's not an issue, no.

**Mr. Peter Tabuns:** Okay. And you don't see any difficulty in ramping up the availability of auditors to make the demands, should this be made mandatory?

**Dr. Dana Silk:** Not at all.

**Mr. Peter Tabuns:** Fine. Thank you.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you, Dana.

**Dr. Dana Silk:** Thank you.

#### PEMBINA INSTITUTE

**The Acting Chair (Mrs. Carol Mitchell):** I would ask the next presenter to come forward, please: Pembina Institute.

If you could please introduce yourself, you will have 10 minutes for your presentation and then we will begin the rotation amongst the three parties, and that will be five minutes.

**Mr. Tim Weis:** Thank you. My name is Tim Weis. I'm the director of renewable energy and energy efficiency at the Pembina Institute. I apologize for not having my presentation available in advance. I'm just going to give you a quick introduction about myself and the work that I do, and a little introduction about the Pembina Institute so you can have a context of the comments I'm going to make.

I'm a professional engineer. I currently direct the renewable energy program at the Pembina Institute. I've done master's degree research on ice secretion on wind turbine blades and I'm currently doing Ph.D. research on remote community issues.

The Pembina Institute is a non-profit group. We're independent and non-partisan, and we're based all across the country. We have offices in four provinces and the Northwest Territories, so we're one of Canada's largest environmental NGOs. We do all sorts of research papers, all of which are available on our web page, but one of the things we also do is we do work out in communities and we do work particularly with small communities and remote communities.

These are some examples of some of the work that I have done in remote First Nations: for example, helping develop small-scale hydro and small-scale wind power. So I do have experience from actually developing these projects on the ground and not just sitting at a desk.

This is a list of all the different communities that we've worked with, developing renewable energy projects across the country. Most of our work has been based in western Canada, but you can see that, recently, we have been doing some work particularly in northern Ontario.

So that's kind of the context I want to talk about. I'm only going to hit on three points today with respect to the Green Energy Act. I recognize there are all sorts of other groups that have discussed many other issues, so I don't want to dwell on some of the other issues the other groups have touched on. But the three things I do want to touch on are: basically, to say congratulations on tabling this bill; I do want to talk about the issue of tiered rates; and to touch on remote communities.

I want to say congratulations on having tabled this bill. As someone who travels across Canada working on renewable energy issues, I can say that this is, bar none, the most progressive renewable energy bill that we've seen Canada or in North America in the last 20 years. I was recently in Prince Edward Island, southern Alberta and northern Saskatchewan, and I can tell you that there is a buzz created across the country by having introduced this bill. People are very excited about it, and the one question I get when I go into my speaking events is from students saying, "Where can I get jobs in renewable energy? I want to get into renewable energy. I want to get into the green economy. Where can I go?" And the answer is, "Right now, probably Ontario is the place to be." So there is a lot of excitement.

I want to say it's great, what's being done, but it's also important that you get it right. This is a precedent that's being set for Canada, it's a precedent being set for North America, so it's important—there is work to be done to make sure that it's done right.

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I think the other point I want to make is that Ontario needs to be supported. I think people around the room here need to recognize that the federal government needs to step up and play its part in this as well. Ontario has taken a great step forward and the federal government needs to support this work.

The point that I'll draw you to is the most recent—if we compare the American budget and the Canadian budgets that have both come out in the last few months, President Obama is set to invest six times more per capita in clean energy than Canada. So right now, we've got Ontario taking the lead and we don't have the federal government working in lockstep. I would encourage you to make sure that you are going to be supported in the work you're going to do. Particularly if we're looking to redevelop Ontario's manufacturing base around renewable energy, we need a bigger market than just Ontario. Ontario, obviously, is a big market, but we do need to

draw in the other provinces and the rest of the country if we want to really create a sustainable market.

I want to touch on the issue of tier rates. Having looked at Europe and feed-in tariff models that have been very successful there, make sure the rates are tiered for encouraging different technologies, different sizes of technologies, and really recognizing the difference in resources so that you encourage development across the province and not just—wind energy is the obvious example. If there's one rate for wind energy, we're going to see all the wind energy development in very specific areas, whereas if you tier those rates to recognize resource diversity, you not only make the opportunity more democratic in terms of who can be involved, but also help to balance out some of the variations on the loads. Germany has done that very, very well in encouraging development all across the country. I would encourage that to be something to be looked at very seriously.

The one point that I want to dwell on a little bit—and not because this is necessarily the most important point, but I think this is a point that probably no one else has really hit on—is the fact that the Green Energy Act doesn't really do much for remote communities and the communities in northern Ontario that are dependent on diesel power. This is, by and large, what happens in these communities: They're often forgotten about, whether it's federally or provincially. These communities not only have very expensive fuel; they also run the risk of air pollution and diesel spills. I've worked with a lot of these communities personally and they're very excited about trying to get off of diesel and trying to create local, sustainable options.

What I can say is that the technologies have really changed. In the last three to five years, there's been a huge advancement in remote technologies, and now really is the time to help those communities. However, there's no current provincial support and there's no current federal support anywhere in Canada, with the exception of British Columbia, which has recently—BC Hydro has a remote community village electrification program, and I think that would be an example that Ontario could look at.

That's not to say that that's not going on globally. Governor Palin in Alaska, for example, is investing a quarter of a billion dollars in renewable technology for remote communities. The precedent is there internationally to support remote communities.

Another important thing is that half of the manufacturers, particularly of remote community-scale wind turbines, are actually Canadian, several of which are based in Ontario. Almost all of these manufacturers export their wind turbines out of Canada because there simply isn't a market here for them. Because of the investments we're seeing globally and particularly in Alaska, we're at risk of losing some of those manufacturers and we're at risk of losing some of the technology that we've developed here in Canada. I think it's important to try to foster the manufacturers we already have in Canada and in Ontario.

There is a huge export potential, not just into the United States but just in terms of rural electrification globally. But if we're going to be exporting, I think we really need to develop the technology in Canada and perfect it here in Canada, and the remote communities of northern Ontario are an ideal place to start. Some of that work has started on a pilot project, but there isn't an all-encompassing bill like the Green Energy Act that would really be open to all remote communities to take advantage of. I'll just highlight that the international wind-diesel conference, which happens every year, is happening in Ontario this year.

To sum up, I'd like to say that the Green Energy Act is an impressive and important piece of legislation. I again congratulate the Ontario government for tabling it, but there's still work to do. Don't be afraid to iterate it and update it. The work that we've seen in Europe—in Germany, in France and Spain, which all have feed-in tariffs—is continually updating, continually looking back and improving the bill. Going forward, it's not a fait accompli once it's passed, but making sure it's continually updated as we go forward.

With that, I'll take your questions.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you for your presentation. I'll begin the rotation with Lisa.

**Ms. Lisa MacLeod:** That was a very fascinating presentation. I want to thank you very much for it. I would like to know if you could just explain a little bit more about that significant investment that's happening in Alaska, if you could elaborate on it.

**Mr. Tim Weis:** The quarter-billion dollars? The government—

**Ms. Lisa MacLeod:** Is it a quarter million or is it \$25 million?

**Mr. Tim Weis:** A quarter billion.

**Ms. Lisa MacLeod:** A quarter billion? Okay.

**Mr. Tim Weis:** Yes; \$50 million per year for the next five years.

**Ms. Lisa MacLeod:** I thought you said "million." Okay, so it's a quarter billion.

**Mr. Tim Weis:** So the way it's being done is \$50 million per year over the next five years into a remote—basically wind-diesel hybrid systems; not exclusively, but it's basically creating a fund that these communities can use to apply to as capital cost grants or a financing tool.

**Ms. Lisa MacLeod:** Do you have any background material available for this committee on what the public reaction has been to that, or has it been well received by the public?

**Mr. Tim Weis:** That's a good question. I don't know what the public reaction in Alaska has been. Alaska is obviously a pretty unique place where you have a huge concentration of the population in a couple of cities and then all these remote communities, and this fund is really directed at the First Nation or basically the native communities. They're all scattered across the state. By and large, there's been quite a bit of support for it, from what I understand from having been in Alaska just last year. The idea is basically using a non-renewable resource to

fund a renewable future, and that's the way it's been cast and supported. But I don't have studies on the exact public polling numbers.

**Mr. Peter Tabuns:** Tim, thanks for the presentation. The wind-diesel hybrid: How much diesel operation can be offset with the wind? Can you get more than 50% or 60% reduction in diesel consumption?

**Mr. Tim Weis:** There's a case in Australia right now where there are 95% penetrations of wind and there's a community in Alaska that's running at very close to 100% wind. Everything is possible. It all depends on how much money you want to put into it.

**Mr. Peter Tabuns:** Right, and what the wind regime is like in the area.

In terms of the programs that have been successful, the ones that set the feed-in tariff according to resource intensity, technology, scale etc.: Do you have any comment on the way we should differentiate in Ontario on the feed-in tariffs in terms of resource intensity?

**Mr. Tim Weis:** If I understand your question, I think the simple answer is that you give more money to where there's less wind, for example, or where there's less sun, and less money to where there's a good resource. It seems a bit counterintuitive but, again, the benefit of it is that it makes it more accessible to everybody. But it also has an actual system benefit, where you're not concentrating all of the generators in one area so they're not all subject to the same weather system. So it actually has a system benefit as well. You might think you're paying a little bit more, but you're not seeing the same rate fluctuation when the winds come and go. I'm using wind as an example, but you can do it for all sorts of different technologies.

**Ms. Laurel C. Broten:** I'm wondering, Tim, whether you have specific recommendations with respect to amendments you would propose to the Green Energy Act to reflect the advice you've given us not to forget the northern isolated communities who are dependent on diesel or whether your suggestions are more to collateral actions, other actions that need to be taken to incentivize that systemic change off diesel.

**Mr. Tim Weis:** There are all sorts of different ways you could do it. The reason I would like to see it as part of the Green Energy Act is that what we've seen in Canada—specific to wind-diesel systems—is pilot projects approaches, where we do one project here, one project there, we get some capital cost money and then, when the money runs out, there's no one there to maintain it. We've seen several failures across Canada, including in Ontario. What we've been proposing federally is basically a production incentive which is similar to a feed-in tariff. I think a production incentive is really the mechanism we've seen to support any sorts of renewables because it fosters that ongoing, long-term—make sure that the system not only gets built but that it runs long-term. That's why it's well suited to be placed within the Green Energy Act, because you could have some sort of feed-in tariff or production incentive but it doesn't necessarily have to be either. I wanted to highlight it just

to point out the fact that these communities are being left out of the current act.

**Ms. Laurel C. Broten:** Thank you.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much for your presentation.

**Mr. Tim Weis:** Thank you for listening.

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#### ECO ALTERNATIVE ENERGY

**The Acting Chair (Mrs. Carol Mitchell):** I would ask Eco Alternative Energy to come forward, please.

You will have 10 minutes for your presentation and then we will move to a five-minute rotation of questions amongst the three parties. If you could please state your name for the record, sir.

**Mr. Ron Kortekoas:** My name is Ron Kortekoas. I'm the owner of Eco Alternative Energy.

**The Acting Chair (Mrs. Carol Mitchell):** You can begin your presentation.

**Mr. Ron Kortekoas:** Thank you. First, I would like to commend the provincial government for the implementation of Bill 150, the Green Energy Act. I know it hasn't passed yet, but I'm an optimist and I hope it goes through.

I have been selling, installing and servicing solar electric, solar thermal and wind systems since 2005. I'm a standing member of the Canadian Solar Industries Association and the Ontario Sustainable Energy Association.

What I would like to see added to the act is to grandfather existing standard-offer program members into the new FIT program if that's at all possible. It's not looking that way right now but it's something I would like to see for the customers who have gone out ahead of everyone else and done this environmental thing. I would also like to see the rate that they're proposing, the 80.2 cents, stay the way it is if that's possible at all. That's another thing we would like to see, and my customers.

I would like to see interest-free loans, if you could get them from Ontario Hydro, Hydro One or the government or banks—probably not banks, but low-interest loans for people doing green energy.

I would like to see the FIT program much like the standard offer program, where it's transferable from one homeowner to the next. When they sell their home, the program gets transferred with the home.

I would like to see incentives for entrepreneurs to manufacture alternative energy products in Ontario, creating employment and reducing shipping, pricing and, most importantly, our carbon footprint.

I would like to see that Hydro does not implement any monthly fees when people get into these programs like the FIT program or the SOP program. There isn't any for the SOP at the moment, but there is talk of putting some monthly fees in the FIT program. If we could avoid that, that would make customers more comfortable.

I would like to see incentives for homeowners much as the earlier speaker, Tim, was talking about—people

who are off the grid. I have a lot of customers like that. People who have cottages on islands or hunting camps don't want to use the generators all the time. A lot of remote lodges up north are running off generators all the time. As Tim was saying, people are spilling fuel or they have to ship it in and out. If they had a better source of energy there and some kind of incentive, which they don't have—right now, the provincial sales tax is what they get back, but that will all end in 2010, and there's nothing to carry on or carry over from there. If it's at all possible, something should be done there for people who are off-grid.

I would like to see that new homebuyers and builders, if they decide to go with solar thermal systems for the hot water, not have to go through the eco-audit because it is a new home already, and most of them are built to code, so they're already up to all the latest standards. That way they don't have to spend the money, and right now they're not eligible for it if they're putting it on a new home, unless they get this audit done.

Another thing I would like to see is an extension of the ecoEnergy retrofit program, which is due to end in about two years. It has helped a lot of people do the right thing and make their homes more efficient.

I am done now. I'd like to thank you very much—

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much. There are a number of questions now. I will begin with Peter.

**Mr. Peter Tabuns:** Ron, thanks very much for coming in and presenting to us today.

Are there many other firms like yours that are out there in the community now, doing these installations?

**Mr. Ron Kortekoas:** Yes, there are. We have four stores throughout Ontario. They're all individually owned and operated, but we got together, and we share a website, we share common goals, and we help each other out. This was mostly for buying purposes. We could get better deals if there were four stores rather than just one. So we've done that right now.

There are a lot of newer stores starting up right now, coming in just in the last year or so.

**The Acting Chair (Mrs. Carol Mitchell):** Laurel.

**Ms. Laurel C. Broten:** We heard the other day that one of the things that should be part and parcel of the application for a feed-in tariff was an analysis of the solar site—for example, a rooftop solar site—with respect to shadowing. We received an explanation at committee about how panels could be put on a roof, and if the dormer or chimney shadowed part of the solar panels, then the effectiveness of that installation would be greatly reduced. I wondered if you had any comments with respect to that.

**Mr. Ron Kortekoas:** That's true. We have several mounting systems. We can do it on a pole mount or a ground mount if they have a sunnier area on their lawn where they can put it, or somewhere away from the house. That's one way we tackle that.

There's a new product out now. It's a small little inverter that goes with every panel—so it inverts it to 240

volts right at the panel itself. If one panel is shaded, it'll bring more power in to the rest of them. It's a different system. It's a new technology, and it looks very good for our business. I think it will do well.

**The Acting Chair (Mrs. Carol Mitchell):** John.

**Mr. John Yakabuski:** Thank you for joining us, Ron. You made a number of suggestions there, which clearly indicates that you've done a lot of consideration of not only this act but with respect to, as you said, reducing the carbon footprint.

We had a submission last week from the Automotive Parts Manufacturers' Association. It employs 80,000 people—a \$24.3-billion business—and uses about 10% of the energy generated in this province, \$700 million to \$800 million a year in energy. They asked, why wouldn't the government have made more in the line of investments in making these vital manufacturing plants—because this is a manufacturing province. It's a goods-producing economy, and if we lose that, we're going to lose the bulk of what contributes to our standard of living. They asked, why wouldn't the government have invested as much money in improving the efficiency of these companies, not only allowing them to be more competitive worldwide, but they would also then reduce their energy use and reduce the amount of greenhouse gases that we have to emit in order to produce the energy they need? I thought that was a very good question. Why wouldn't the government be putting as much emphasis on doing this, as opposed to generating new electricity? I'd like to get your feedback on that.

Also, I wanted to ask you one question on the off-grid. Are you suggesting that the general electricity payer should cover the cost of someone to get off the grid?

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**Mr. Ron Kortekoas:** It's not just covering them per se. It's reducing greenhouse gases, because they're running generators. They have a business out there, and the only way they can get hydro is to run a generator.

**Mr. John Yakabuski:** So you're saying the ones that are already off the grid and using a generator, as opposed to being on the grid?

**Mr. Ron Kortekoas:** That's right. There are a few subdivisions that I've been working on, too. Because of landowners, they can't bring hydro across to them, yet these people have—there are eight or 10 cottages there and they're all running off generators too, and they would just love to have solar but they have to bring gas, diesel or propane into the generators, lug it in with their boats back and forth. It's just the preference of people who are out there, but they don't have access to the power.

**Mr. John Yakabuski:** Right. So what about the auto efficiencies?

**Mr. Ron Kortekoas:** The automobile plants and that? There are new—well, they're not really new products. Solar air heating is a product. I've just taken a course on it. Large manufacturing companies can save a lot of money by pulling in warmer fresh air just from a different type of siding they put on the outside of their

building. There are roof models as well, where they can pull in fresh air so you don't have stale air in the building, and it's also heated by the sun. It's a really nice product.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much, Ron, for your presentation.

**Mr. John Yakabuski:** Thank you, Ron, for your presentation.

**Mr. Ron Kortekoas:** You're welcome.

#### ARNPRIOR REGION FEDERATION OF AGRICULTURE

**The Acting Chair (Mrs. Carol Mitchell):** I would ask Arnprior Region Federation of Agriculture to come forward, please.

I would ask that you state your name for the record. You will have 10 minutes to make your presentation, and there will five minutes for questions in rotation from the three parties represented today. Welcome.

**Ms. Debra Pretty-Straathof:** Good afternoon. Thank you for the opportunity to present our views on the Green Energy Act. My name is Debra Pretty-Straathof. Today I am speaking on behalf of the Arnprior Region Federation of Agriculture, but I am also a director of the Ontario Federation of Agriculture and represent zone 8, which includes 2,000 farmers in Renfrew, Lanark and Ottawa.

As you have probably heard many times over the course of your hearings, the OFA supports the concept of the Green Energy Act, but as with most legislation there are concerns about the details and how they will affect our province and our farms in the long term. You have heard of our desire to sequester carbon, about our understanding of the cost of doing nothing for our environment, the fact that farmers are amazing at adapting to new technologies and rising to demanding challenges, but sometimes good intentions get mired down in the unintended consequences of regulations and rules. We want to be part of the green economy and contribute to the green energy production opportunities but we do have concerns.

I'll start with biodigesters. A number of brave entrepreneurs have already ventured into providing green energy sources from our farms but they have met with tremendous costs, regulations and outright road blocks. Mr. Heinzle spoke to you earlier today, and I will not repeat his comments except to say that we admire and congratulate him and his association for all the progress they have achieved and the work they have done to make green energy production from farms a little more possible for those who would follow their lead.

I come from a dairy farm just west of Arnprior. We milk about 120 head of cattle. This morning I asked what was stopping us from considering building a digester, and the answer was, and I quote—well, I'll be careful with my quote—"What the heck would I spend that kind of money for, and then have to pay to bring in a three-phase line to sell cheap power to Hydro?" That's a good question. We've had this conversation before, and the answer

hasn't changed much. A number of our colleagues are seriously looking at starting projects, but the challenges are daunting.

We hear over and over that Hydro's rural infrastructure is inadequate, that they don't really want to deal with small energy producers. We applaud the intent of the act to accommodate such projects, but until the infrastructure is in place and the price paid reflects the costs and investments for such projects, there will not be a huge uptake. It's a real shame, because the ability to produce energy is there. Farmers will rise to the challenge, but not to lose money on yet another cheap commodity for the public.

On the issue of solar, there's a lot of concern in our region regarding the establishment of solar projects on prime agricultural land. This is a precious resource, and many farmers have been pushing for years to protect it from development. The argument seems to be that it can continue to be farmed, but there also seem to be extremely limited uses for agriculture under this scenario. This morning it came to my mind: What about weed control, never mind the limitations on production of any kind? A few years ago, the province revised a provincial land use act that the federations, for the most part, supported, but this new act seems to fly in the face of that progress to protect our best land. It also demeans the ability of local land use planning, and it's priced far above any other resource, which invites almost a gold rush of projects shading the landscape.

Rumours abound of more and more solar farms in our area, and it doesn't escape notice that those with deep pockets are able to profit off of productive land while those who actually farm it have made little money for generations, never mind the hypocrisy of the change in the land use policy. If that situation has been rectified, we thank you, but the news has certainly not reached the concession roads yet. We welcome solar along fence lines, on rooftops, all over the place; just please keep it off of prime land.

**Biomass:** The ability to turn plants into energy has been with us since the beginning of human existence. From burning wood and coal to turning corn into ethanol, using biomass of many kinds to create energy for our use is part of our ability to exist on this planet. Farmers are anticipating the opportunity to provide biomass to OPG.

The possibility of helping to replace coal in the power plants is a welcome addition to our markets. There is some concern about food costs, biofuels and biomass sourcing, but this country enjoys the lowest price for food in the world. Drought, increased world consumption and trade issues all add to the world price increase for grains. And if you notice, it jumps up and down. It's all over the place, so there's no telling what exactly causes it from day to day.

**Wind generation:** Setbacks and proper line infrastructure seem to be the biggest concern next to the aesthetics of these unfamiliar sights in Ontario. Reaction seems to be almost visceral. People think they are either beautiful and add to the scenery or they're an eyesore and

should all be torn down. We believe wind power will continue to be part of the mix of power generation, but we need to be diligent in providing research results that will either help to alleviate the concerns or provide the data to better position those projects so that any proven detriments to a community can be addressed. These concerns must be treated with respect and with scientific research as soon as possible. Earlier, the gentleman from Bonnechere Valley was eloquent in his address of these issues.

In conclusion, local farmers have voiced concerns about pricing, about the ability for small generators to participate, about solar farms on prime land, and they want the ability of the grid to carry more production corrected and the rural infrastructure upgraded. They worry about stray voltage and about property devaluation, but they are also aware of the potential opportunity when these concerns are addressed.

Ontario farmers and the farmers in this region are ready to do their part to engage in the new green power economy. This effort will help contain power costs for our society and economy and will help the environment, but as with all new initiatives, of course there are concerns. Together we can address and correct these situations.

The production of green power can help bring economic stability back to Ontario farms, but only if the infrastructure is in place to carry the production and if the research is done to continually improve this emerging market. We look forward to doing our part in a sustainable, co-operative and profitable manner with all Ontario society as we move into green energy production. Thank you for your time.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you, Debra. I will begin the round of questions with Laurel.

**Ms. Laurel C. Broten:** Thank you very much for your presentation. I want to focus on the issue with respect to biodigesters, and your comments with respect to the connection costs and not being willing to lose money on a project. We've heard submissions over the last number of days both with respect to and in encouragement of ensuring that connection costs are shallow, and second, that the FIT price on biodigesters is too low at the current level being consulted on. I just wanted to hone in on those two points and get your comments with respect to them.

**Ms. Debra Pretty-Straathof:** First of all, I'm not an expert on that. You were probably talking to George earlier, and I would defer to him. But, yes, that's the common perception. The price seems to jump all over the place, maybe depending on the mood they're in that day; I'm not sure what it is. It's extremely expensive to get hooked properly into the grid. The price is a lot lower than what you will get for other forms of power, and I really, honestly, personally don't understand that. To me, if you're putting out a watt, you're putting out a watt. Why would there be a difference in that? Like I said, I'm not the expert in that area, but I just wanted to reiterate the concern.

1540

**Ms. Laurel C. Broten:** If you look at your own home circumstances and the comment about the costs of the three-phase line, do you have a sense of how much, for example, of a capital outlay you'd be looking at?

**Ms. Debra Pretty-Straathof:** No. But given that on top of probably a minimum of a million dollars, it's just more than it can bear. And I don't think that we should be paying for their infrastructure.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you. John?

**Mr. John Yakabuski:** Thank you very much, Debra, for joining us today. We do appreciate so much the work that you and your colleagues do on behalf of your members, and have been doing for so long. It is appreciated.

One thing I'm glad about is the fact that a number of representatives from the agricultural sector have made it clear that the government can't simply jump up and down and say, "The OFA and everything is unreservedly in total support of Bill 150." We know there are some great opportunities under Bill 150 for the agricultural sector, and there should be, but it would appear that there are things that need to be taken care of first. One of them certainly seems to be, based on your submission today—and I've had these discussions with the Klaesi brothers as well with respect to their challenges and connection. Obviously, it would appear that there's a tremendous amount of work to do on our transmission and distribution system—

**Ms. Debra Pretty-Straathof:** Absolutely.

**Mr. John Yakabuski:**—before we're going to be in a position to help the farmers. Then we also have to look at the FIT tariff that we're prepared to pay. Would that be correct?

**Ms. Debra Pretty-Straathof:** Yes, that sounds exactly right. One of the things that we've heard is that some of these solar projects, for example, are placed in the area where they are because they happen to be near lines that will carry them. Well, then, build better lines in other places where there's crappy land, you know? That sounds a little flippant, but come on.

**Mr. John Yakabuski:** But then we're using prime land, which is the wrong thing to do. We're using class 1 land.

**Ms. Debra Pretty-Straathof:** Exactly.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you. Peter?

**Mr. Peter Tabuns:** Thanks very much for the presentation. If in fact there was a price that made the biogas production economically viable, would there be substantial uptake amongst the farmers in your community?

**Ms. Debra Pretty-Straathof:** I would think so, because there's a number of them now that are, like I said, seriously looking at it. But farmers are business people, and they have to be able to make a business case. They have to be able to have a return on investment within some sort of—maybe their lifetime. If you're paying \$1,500 in hydro, there's no way you're going to spend \$1 million or \$2 million just to replace your own.

You're going to want to sell it onto the grid. You have to be able to recoup those costs in a reasonable amount of time.

**Mr. Peter Tabuns:** Okay, thank you.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much for your presentation, Debra.

#### CANADIAN SOLAR INDUSTRIES ASSOCIATION

**The Acting Chair (Mrs. Carol Mitchell):** I would ask Canadian Solar Industries Association to come forward, please.

If you would please state your name for the record, you will have 10 minutes for your presentation. Then there will be five minutes of questions, and that will be rotated throughout the three parties. Thank you for coming today and please go ahead.

**Ms. Elizabeth McDonald:** My name is Elizabeth McDonald.

**Mr. Wes Johnston:** And my name is Wes Johnston.

**Ms. Elizabeth McDonald:** Good afternoon, and, for some of you, welcome to Ottawa.

My name is Elizabeth McDonald and I'm the executive director of the Canadian Solar Industries Association, or CanSIA, as we call ourselves. I also was the chair of Ontario's solar task force last year.

I'd also like to say, in terms of the gentleman who was one of our members who appeared, we have addressed many of those issues in other filings with the Ontario Power Authority, the Ministry of the Environment etc., and I'm happy to deal with them.

I'm accompanied today by Wes Johnston, CanSIA's director of policy and research.

We are the national trade association that represents members who work in the various solar technologies: solar photovoltaics, or PV, as it's referred to; solar thermal, or water heating; and solar air. We have over 300 members, and the vast majority are in Ontario. These members range from large companies with a global presence to the one- and two-person installer companies.

Before I go any further, let me answer one question that's always there: Yes, Canada, and in particular Ontario, does have an excellent solar resource—better than Germany, the country considered to have the most aggressive renewable energy strategy in the world. Too many of us get confused between the cold and solar resources.

You have an interesting task in terms of this new act. You're touring the province to get input and ideas from its citizens. First of all, the government of Ontario must be congratulated for taking on such forward-thinking legislation. Canada as a country has lagged behind the rest of the world. We've been comfortable thinking that our fossil fuel supplies would support us; our energy is secure and limitless; our skies are blue; and, beyond anything else, we're the nice guys globally. As we saw last summer, our fossil fuel future is, at best, unpredictable. And Canadians and Ontarians are big consumers of

energy. For example, did you know that Canadians and Ontarians use more hot water per capita than any other country in the world? But at least we're clean, eh?

In late 2006, the Ontario government introduced its first renewable energy standard-offer program. While it did not have the same public launch as this new act has had, it did signal that, within Canada, Ontario was committing itself to adopting renewable energy. Indeed, that program was so successful that last May the Ontario Power Authority had to freeze it because it had just grown beyond expectation. It was clear, after the Honourable George Smitherman was named Ontario's new Minister of Energy and Infrastructure, that more was yet to come. This is clearly evident in the legislation.

For those of us from the renewable energy field, this legislation underlines true commitment. It shows leadership in Canada, it shows leadership in North America and it sends a message to my sons and the other young people who are our future that Ontario intends to give them the clean energy they want and expect. We at CanSIA are not a legislative experts, so on behalf of my members, I congratulate the government.

Much of what interests our members is not the legislation per se but the underlying programs. Let me be clear: Whatever suggestions for change that may be made here or anywhere in the province about the programs, the legislation is the right way to go. But once you get into the programs and their detail, well, as we all know, the devil is there.

It will also be the programs that will deliver on the broader objectives that the act is meant to address; namely, a clean, green future for Ontario; a response to the challenges of climate change; and a new economy going forward for the province.

These objectives are all critical to the province going forward, and meeting them successfully will be a challenge. We, like others appearing before you, have the health and prosperity of our industry as a major goal, but we also can bring our expertise to the table—the lessons that have been learnt from other parts of the world; the reality of the effort required and the start-up needed to make the dreams that led to the legislation that allowed for the programs actually achieve what is intended.

From the solar industry's perspective, the program we are for the moment most focused on is the feed-in tariff proposal, which is truly complex and multilayered, especially for PV in the province, as it covers solar development to residential rooftop. I do want you to know that we are actively engaged in all the consultations and stakeholder meetings that are being held, in a very accelerated fashion, with the intent of hopefully getting this program launched in June. Indeed, there are at least six departments and the OPA involved, as well as many others.

As an aside, I would like to publicly acknowledge the hard work and dedication of many public servants who are organizing and attending meetings and coordinating with colleagues and stakeholders. They are on a tight deadline and they're working very hard.

In terms of the FIT program, our association does have concerns related to particular aspects of that program that are focused on large-scale, ground-mount solar, because our members' experience tells us that that is the linchpin to meeting your economic expectations—the potential for 50,000 jobs in three years that the Premier often references. We believe that sector of the industry needs to be encouraged so that the province can meet its own 100,000 residential or community rooftop goal.

We also appreciate and are participating in the efforts to eliminate barriers and streamline processes. Renewable energy represents new opportunities, but it also means new ways to do things. It's critical that they can be introduced in a manner that understands that and can respond to that opportunity. We appreciate what is being done and hope that this can and will be a continual process, balancing the desire to drive the adoption of new energy technologies, while protecting the health and safety of Ontario's citizens.

#### 1550

There are, as I've even seen this afternoon, many groups with views on these issues. We all have our perspective. I would hope that this committee can find some balance. In some cases, it is clear there's a lack of understanding of the technology and its implications. There are those, as you have heard, who believe, for example, that we want to see Ontario's agricultural land covered in solar panels, from the Manitoba border to the Quebec border. That is just not correct. We're talking about significantly less than 0.05%. In some cases, we are talking about land that has been fallow for up to 15 years and where sons and daughters are not willing to take it over. We are talking about farmers who want to retire and have a stable income stream. We are talking about farmers who are members of the OFA and CanSIA.

We can argue these details here, but we will be seeking meetings with the Ontario farmers' association, OMAFRA and others to help them understand the reality of what solar PV will mean to them. We will work to better develop information programs so that communities understand the opportunity that the sun brings, without fear.

We hope, moving forward, that the solar focus in Ontario will not just be PV but will also be solar thermal or solar water heating. We are actively engaged in that discussion with the Ontario government. We are pleased that the federal government recently put significantly more money on the table for homeowners to retrofit their homes with solar thermal technology, and we hope Ontario will soon follow that lead. In the end, when an Ontario family adopts ST technology in their home, they've found the single best way to reduce their family's GHG emissions. It would be like if that family drove 3,000 kilometres less in a given year.

Beyond all of this, we will need to ensure that we have a trained workforce to respond to increased demands for these technologies. Our association and some of Ontario's community colleges do offer the training that is required. We need to ensure that the capacity will be

there to ensure not only jobs, but safe and reliable installations.

Finally, because I'm also a librarian by training, I want to encourage you to look at better dissemination of information to the Ontario public. The information available now is not focused or always reliable. Indeed, it is frightening to think of all the people who call me to ask what they need to do to install solar in their home. For the Green Energy Act to really work over the long term, we need a concerted program to inform our citizens.

(1) We need to use Web-based media and social media tools like Twitter and Facebook, and we need to teach this to the next generation of solar employees in the high schools, colleges and universities of today.

(2) We need to develop better community-based materials—and we are a member of OSEA and of the Green Energy Act Alliance. That's a great place to start.

(3) Finally, please, can we update our curriculum for our children so they can learn what the reality is?

We are happy to respond to your questions, and we are happy to reach out to our members as well. We can bring a mixture of global and local knowledge and experience. We want the objectives of the Green Energy and Green Economy Act to be met. Obviously, it's good for my members' businesses, but more importantly, it will make Ontario a global leader in an area that matters to our children.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you. I will begin the rotation with Lisa.

**Ms. Lisa MacLeod:** Welcome, Ms. McDonald. It's a pleasure to have you here.

I want you to know one thing: While I was sitting here earlier this morning, I actually uploaded to my Facebook what a tax and power grab this legislation is. So it's there for my 800-plus friends to see on Facebook.

I thought the previous deputant from the Arnprior Region Federation of Agriculture had one of the better presentations today. She talked about some of the issues that are of concern in my community with respect to the agricultural community.

First of all, I'm not sure of the Ontario farmers' association you're meeting with. I just wanted to know who that group is.

**Ms. Elizabeth McDonald:** I meant to say "OFA." I'm sorry.

**Ms. Lisa MacLeod:** Okay. In the last presentation, there was a suggestion—and I'll quote them: "There is a lot of concern in our region regarding the establishment of solar projects on prime agricultural land." Your presentation, I guess, attempts to refute that. But, look, it's a real concern in the rural communities in eastern Ontario that our prime agricultural land, if it's not going to be used for development, is going to be used for solar energy or wind farms. I'm wondering how you respond to that and what kind of dialogue you're attempting to have with the OFA and OMAFRA to allay the concerns of those in the rural and farming communities.

**Ms. Elizabeth McDonald:** First of all, I should point out that the OFA is a much larger organization than

CanSIA. We have a staff of four, plus two contractors that work for us. They're somewhat larger, and so actually, we're just making the efforts to reach out now. If you understood all of the meetings that my members and staff and I have to go to in terms of the stakeholder consultations, which are almost daily now and always in Toronto, it's quite a challenge getting through this, but we will reach out.

I think the other thing is, I've watched this and I don't believe that in four years from now, I'm going to fly over Ontario and see just a blue mass of solar panels. So let's talk about what the size of the problem is; let's bring the people into a room; let's address it. We have research to deal with things, and we are participating actively with the Ministry of the Environment on health, safety, stray voltage and all of that. There is truth, there are concerns and there is reality. But also, let me point out that there are some farmers who belong both to the OFA and CanSIA, and they've chosen to take this approach. There are other countries that have done this. They are not blue panels from one border to another, and in some cases, they have sheep grazing etc. We could get into a detailed conversation now, but this really takes research—

**The Acting Chair (Mrs. Carol Mitchell):** That's great. Thank you. I'll move on to Peter.

**Mr. Peter Tabuns:** Elizabeth, thanks for the presentation. What are the economics that shape this? Because you're right: Companies that support solar industries don't have their entire land masses covered with panels, and I would think that good agricultural land would be too valuable to cover over with solar panels. Could you talk a bit about that?

**Ms. Elizabeth McDonald:** Well, one of the interesting economic things—and it's reflected in the FIT program, as it's presented—is that it does have a program for ground-mount solar. Our view is that we will see some of that larger generation—and Wes, you can jump in—in the beginning of the program. That will then attract the kind of economic activity that will bring the manufacturing of panels to Ontario because there'll be a critical mass, and that will then, we believe, have most people migrate to rooftop.

**Mr. Wes Johnston:** Just to add to that, to some extent as well, programs in Germany that do have an extensive, ground-mounted tariff program in place—we've seen in Ontario, for example, a company like Arise, which is headquartered in Ontario and that had to move to—actually, they have a manufacturing plant in Germany, and so the incentives were put in place for them in Germany to establish that manufacturing plant. With a more solid local market in place in Ontario, there are greater opportunities for Arise and other companies such as that to do business here and for companies outside of Ontario to also come to Ontario to establish manufacturing plants.

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

**The Acting Chair (Mrs. Carol Mitchell):** Laurel.

**Ms. Laurel C. Broten:** Thanks very much. I'm wondering, in your examination of tariffs or incentives put in place elsewhere in the world, if you've seen a system

developed whereby there was a mechanism to incentivize the location of ground-mount solar onto that lower-grade agricultural land. You know that our government has made efforts, for example, to protect the greenbelt, and we look to this and we're seeking solutions as to how we might be able to walk this pathway and not be restrictive to those who may want to use their farmland for this, but also be assured that we don't see vast tracts of the province moving in this direction.

**Mr. Wes Johnston:** As Elizabeth mentioned, we are looking to discuss this further with OMAFRA and with the OFA as well. We actually submitted a document to the Ministry of the Environment regarding information and recommendations for ground-mounted through the renewable energy approval process. We actually looked at ground-mounted PV in regard to agricultural land as well. So it provides some information in those areas.

But I think it's key to remember that ground-mounted solar, the way we've looked at it and analyzed it, even if we can meet our targets of 10,000 megawatts of solar PV, it's less than 0.5% of the agricultural prime land in Ontario. I have a farming background as well. I grew up in PEI on a farm. In Germany, for example, the farmers see this as a stable income. It's a supplemental income, really, and with the supplemental income, it helps stabilize their farming operations. We see that being an economic benefit, not only to them but to their local community as well.

**Ms. Laurel C. Broten:** Thank you.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much for your presentation.

1600

#### UTILITIES KINGSTON

**The Acting Chair (Mrs. Carol Mitchell):** Kingston Hydro, if you would come forward, please.

You have 10 minutes for your presentation. If you would please state your name. After your presentation, we will then go through a rotation of questions that will take five minutes.

**Ms. Nancy Taylor:** My name is Nancy Taylor. While I have a role at Kingston Hydro, I'm here primarily to speak to you today about my role with Utilities Kingston.

Utilities Kingston is a company that was formed in 2000. It's an affiliate to our local distribution company, Kingston Hydro. The reason it was formed is that at the time, we felt it was important to continue to operate all of the utility services in the city of Kingston jointly, and the affiliate was the only way that we could do it under the Energy Competition Act.

Currently, Utilities Kingston manages, on behalf of Kingston Hydro, electricity distribution services, and on behalf of the city of Kingston, a natural gas distribution system, the water treatment and distribution system, and the sewage collection and treatment system. In addition, we also manage a telecommunications utility that we know will help enable us to deliver on the smart grid vision that's set out in the Green Energy Act. We like to

think of it as the intelligent multi-utility in Kingston. There are visions in the smart grid that can also be applied to other utility businesses.

We're very interested in the Green Energy Act. We're interested in pursuing many of the opportunities, as Utilities Kingston hopes to enable our community's vision of becoming a sustainable community. So there is lots of opportunity in the act.

What I'd like to draw to your attention today, though, based on our experience in managing the other utilities, is that there is also an opportunity for significant energy savings if you start to extend the Green Energy Act into management of water and sewage systems.

For most municipalities, water and sewage systems are the largest single electricity user—well, actually, energy user, because in some cases, they use natural gas as well—for the municipality. This is something that's starting to be identified by a number of groups on the water side, such as POLIS and the Forum for Leadership on Water. They've identified this as the critical nexus between water and energy, but it's a nexus that is still not yet well understood.

One of the issues that the water and sewage treatment industries face was pointed out in the 2005 Watertight report. There are 733 water treatment facilities in Ontario. Of those, only 40 serve populations of greater than 35,000, and in fact, 555 of those treatment facilities serve populations with fewer than 5,000 customers. That poses some significant problems for these businesses, because they don't have the rate base for resource engineering specialties, these trained operators, that sort of thing, that's really now required in the water industry.

The Watertight report also says, "Unquestionably, the smallest plants—those serving, roughly, fewer than 2,000 customers—have the highest unit costs, and that threshold can be expected to rise with increasing regulatory and technical complexity."

I can certainly attest that since 2005, there has been nothing but increasing regulatory and technical complexity in the water business. Currently, we are all implementing a drinking water quality management system, as all operators of water systems in the province have to become accredited to operate these facilities. This is certainly something that, we're noticing, a lot of the smaller communities in our area are starting to really have a struggle with. They just simply don't have the resources to meet the expectations.

Before the Energy Competition Act, as you are probably well familiar with many water and electric utilities were operated jointly through public utilities commissions, the old PUCs. In fact, we are still called the PUC in Kingston; we can't seem to make it go away, even though it has been 12 years. One of the reasons for that, and I think this is a valid reason today, is that many of the principles that you use in managing a well-run, regulated electric company also apply to managing well-run water systems and waste water systems. So whether it's asset management principles or applying full-cost-recovery and rate-based principles to the systems, or, for

that matter, the conservation initiatives, all the same principles apply to all the utilities.

Currently, there's a barrier to us at Utilities Kingston being able to offer our services to small communities in our region. The barrier is, as an affiliate company, we are governed by section 73 of the Ontario Energy Board Act, which sets out, as long as our local electricity distributor is majority-owned by the municipality, certain constraints on what the affiliate can do.

At paragraph 7, the specific constraint I'd like the committee to consider, it states that we are permitted to be in the business of "Managing or operating, on behalf of a municipal corporation which owns shares in the distributor, the provision of a public utility as defined in section 1 of the Public Utilities Act or sewage services."

The barrier is the need for other municipalities to own shares in Kingston's electricity distribution company. If the committee were to consider an amendment that would eliminate the need for surrounding municipalities to own shares, we would then be able to start to provide services, of course on a voluntary basis. We're not suggesting that we impose ourselves on the smaller communities, but it would enable us to offer the services to communities that we're starting to see really have a need for those services.

That's my presentation. Thank you very much.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much for your presentation. We'll begin the rotation with Peter.

**Mr. Peter Tabuns:** Thanks very much for being here today and making that presentation. I'm interested in your recommendation, but because I don't have a lot of familiarity with the area, what would be the arguments against the recommendation you've made, arguments that we might hear if we put forward an amendment to that effect?

**Ms. Nancy Taylor:** I really can't anticipate any, because I'm not sure I understand the intent behind the—

**Mr. Peter Tabuns:** Initial?

**Ms. Nancy Taylor:** —initial construction of the legislation.

**Mr. Peter Tabuns:** If, in fact, the amendment was made and you were able to expand your services, do you have a sense of how large your area of operation could become in the Kingston area?

**Ms. Nancy Taylor:** Potentially it could become a regional hub, so it could be quite large.

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

**The Acting Chair (Mrs. Carol Mitchell):** Laurel?

**Ms. Laurel C. Broten:** Thank you. On the proposed amendment, I'm going back in my mind to a couple of days ago when someone suggested a similar amendment and said that the only other mechanism they could suggest to get around it would be the creation of non-voting shares that would be owned by the other municipality. Have you thought about that mechanism, and what would be the reason why you wouldn't proceed down a path such as that?

**Ms. Nancy Taylor:** We have considered it. It just adds a degree of complexity when you're having discussions that it would be nice not to have.

**Ms. Laurel C. Broten:** And it probably demonstrates that there's a fairly simple mechanism to go around this provision.

**Ms. Nancy Taylor:** Okay.

**Ms. Laurel C. Broten:** Would you agree? It adds a level of complexity, but it's not impossible to do it.

**Ms. Nancy Taylor:** It's not impossible to do it. One of the issues is, when you're dealing with some of the smaller municipalities, they're not generally familiar with dealing with shares and those sorts of things, so it can be seen as a little bit scary and something they're not sure they want to enter into.

**Ms. Laurel C. Broten:** Thank you.

**The Acting Chair (Mrs. Carol Mitchell):** Could you speak a bit closer to your microphone?

**Ms. Nancy Taylor:** Sorry.

**The Acting Chair (Mrs. Carol Mitchell):** John, if you would like to go next.

**Mr. John Yakabuski:** Thank you, Nancy. This is one of those very, very common occurrences when I'm exactly on the same page as my counterpart from the government.

*Interjection.*

**Mr. John Yakabuski:** No, no. Very common, very common. It's getting near the end of the day, obviously.

I was going to ask the same question. If there was a way that shares that could be issued to the neighbouring municipalities getting around the legislation and if that's not something that's—the lawyers who advise Kingston may have their own reasons why they wouldn't want to do that. But in the absence of that, I guess I'd like to hear from the government as to why we can't make this amendment. Maybe the government lawyers have a reason, but once it gets into this legalese stuff, I yield to those who get into that deep stuff, and I'm not just talking about the Kingston sewers, either. But that was my thought. Perhaps there was a way of getting around it with the issuance of shares, but you've already answered that, Nancy. Thank you for your presentation.

**Ms. Nancy Taylor:** Thank you.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much for your presentation.

1610

#### RENFREW POWER GENERATION

**The Acting Chair (Mrs. Carol Mitchell):** I would ask Renfrew Power Generation to come forward.

Gentlemen, you will have 10 minutes for your presentation and then there will be five minutes of questions and it will be a rotation of the three parties. I would ask you to state your names for the record and then begin your presentation.

**Mr. Charlie Jamieson:** Thank you for seeing us. My name is Charlie Jamieson; I'm the chairman of the board for Renfrew Power Generation. With me is my associate

Mr. Peter Boldt, who is a project manager with Renfrew Power Generation.

Thank you for the opportunity to speak this afternoon. I'd like to first say how pleased we are to see the Green Energy Act and the thought leadership that is embodied therein. I'd like to first tell you a little bit about Renfrew Power Gen, give you our story, in essence, and then relate it to a macro situation.

Renfrew Power Generation has been delivering hydroelectric power in the Ottawa valley for some 100 years. We're situated on the Bonnechere River system, Mr. Yakubski's neighbourhood. We were municipality-owned by the town of Renfrew until 2000, when we were stood up as a corporation when the Electricity Act changed.

We have been looking for means to expand our generation capability for some eight years and, as such, we've invested a significant amount of effort into developing a number of projects. We currently have four projects that we've developed; three are hydroelectric and one is a waste energy project.

Over the course of this project development process, we've gone through a standard economic assessment. The first thing we bumped up against, as we looked at these projects, was economics. Capital investment to develop new hydroelectric capacity at market rates was not going to get us anywhere. The market rate has been averaging about a nickel for the nine years or so that we've been incorporated. When you're trying to amortize capital costs back, that model doesn't work.

We were very pleased to see the RESOP come. That provided the economic stimulus, if you will, in terms of a price that we can sell the power at that provided a return that justified the projects. We have, over the past eight years, invested some \$500,000 in developing these projects. To put that in perspective, we're a \$600,000 company, so in essence, we've invested a year's revenues or 10 years' profit in developing these projects. As I said, we were very pleased to see the RESOP come along, and that developed an economic condition under which the projects made sense.

The RESOP came with a process for connection. It's one thing to have a product and it's another thing to be able to deliver it to market. The process for connection to Hydro One's grid was essentially a first-come, first-served process, with no barrier to entry. With that process, lots of projects lined up. There are really two categories of folks lining up: for capacity that didn't yet exist, so Hydro One didn't have the ability to accept that power; and in areas where they did have excess headroom, if you will, so there was an ability to connect there.

With no barrier to entry, what we found was that a queue formed very quickly with projects that had a low barrier to entry and were in varying degrees of readiness. Our projects have essentially been stalled now for two to three years. We're shovel-ready, so to speak, but can't get through the queue. With the system essentially being stalled, Hydro One hasn't been able to find a path forward.

We're very happy to see the FIT program come forward with the right to connect, but fundamentally, the right to connect doesn't get one past Hydro One's issue of (a) a legacy queue and (b) establishing criteria under which projects can or cannot be connected.

As we look at the province as a macro, our situation is not unique. There are lots of very credible projects ready to go that are in a mix with projects that are less ready to go, and there isn't a mechanism to sort through that.

Fundamentally, our first recommendation and the first comment that we'd like to make is that while the Green Energy Act provides a great economic model in terms of stimulating business, it provides the right to connect, there's still the mechanism around qualifying projects to connect. We have some suggestions that are included in our handout, but essentially they range from wiping the slate clean in terms of existing legacy projects, to a qualifying or gating process so that only projects that meet certain criteria in terms of being close to or shovel-ready are qualified. So I'll leave that with you to read, but fundamentally, we are absolutely excited about the Green Energy Act. We're absolutely ready to launch in lockstep with the province in terms of developing this renewable energy. We need a bit of help to get the system tweaked so that we can connect.

Just to put us in perspective: four projects—this is a micro look at the world. Renfrew is not going to change Ontario's landscape from a power perspective, but it does have a significant effect in the micro. We have four projects that essentially expand our generation capacity sixfold. We have \$50 million of capital projects to go into the local economy. Almost all of that money stays in the local economy, creating local jobs. We estimate that we'll generate something in the order of 750 person-years over the first 10 years, with a stable employment in perpetuity.

A long-term benefit is, that renewable energy is there forever. There's a long-term benefit to the municipality in terms of employment but also in revenue streams. Where municipally held, the revenues from this operation essentially offset tax revenues in an environment that has not been dealt with kindly lately economically. From a micro perspective, the Renfrew specific is a very special case but indicative of circumstances that would exist across the province.

We're absolutely excited about the Green Energy Act. We're absolutely excited about the FIT program. We have a few recommendations about how to sand the edges off, so to speak, so that it works and the projects can get across the goal line.

Secondly, I'd like to make a few comments around the legislation. The first issue that I'd like to identify is the FIT program. While it has rate categories for a number of different energy sources, we feel that there's one that is perhaps open for consideration. Hydro-electric has a long-term-capacity capability, and that long-term capability comes with regular requirements to refurbish it. At market prices, there are no economics around refurbishing existing facilities. There are some in the Ottawa

Valley that are not being refurbished because, at five cents an hour, the economics just don't support fixing up an existing capability.

We do have a project that is refurbishing our 100-year-old equipment, which will essentially double our efficiencies for the same water, but the FIT program doesn't provide a rate category that would make those economics work for us. In essence, we'd like to suggest that refurbished facilities qualify as new generation.

There are a few other tidbits that I'd like to identify. The environmental assessment element of the legislation provides an ability for protest. Fundamentally, having a mechanism in that environmental assessment for third party protest provides an avenue to stall a project indefinitely. What we'd like to recommend is that a layer be inserted in between such that the director, at his discretion, would assess the basis of a protest and allow it to go forward or not on its merits, rather than providing unfettered access to a protest.

There's also a potential within the legislation, given that both the province and the federal government have control over the resources, for requirements for double-permitting. Again, there's an opportunity there to streamline the process and make it more efficient for the proponents.

Lastly—

**The Acting Chair (Mrs. Carol Mitchell):** You have about 30 seconds left.

**Mr. Charlie Jamieson:** Lastly, we'd like to suggest that the provincial parks and conservation reserves be made available as reservoirs.

We applaud the leadership embodied in the legislation, and we'd like to suggest that consideration be given to our connection issues and to the minor adjustments to the legislation.

In closing, thank you for the forum.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much for your presentation. We'll begin the rotation with Laurel.

**Ms. Laurel C. Broten:** Thank you very much for your presentation. I think the clear crystallization of why we need to deal with legacy projects in the context of the development and design of the new feed-in tariff was really brought home by your example, so I do appreciate that, especially for those who have existing grid rights but no contracts.

As I understand the process going forward, the OPA will be consulting and meeting with stakeholders on—April 21, I think, is the date that I have. So I certainly encourage you to connect with that consultation, and we will certainly relay the information that we receive from these hearings through to that process. Thanks very much.

**Mr. Charlie Jamieson:** That's an easy question.

**The Acting Chair (Mrs. Carol Mitchell):** It gets harder.

**Mr. John Yakabuski:** Charlie and Peter, thanks for coming today. I've seen some of those old turbines in your station, so there's no question there's an ongoing

need to upgrade equipment. Thanks so much for the presentation.

It looks like we've got two issues here, and one is the transmission and distribution system that is just not prepared to be able to accept some of the generation that we're prepared to bring into it. I know you folks have been working on this for some time. Just for the sake of the committee—I didn't hear it and I don't see it in the presentation: What's the expected capacity of the system with the additional hydraulic and energy-from-waste upgrades?

**Mr. Charlie Jamieson:** It'll be a total of about eight megawatts.

**Mr. John Yakabuski:** So a significant amount of power for the Bonnechere River.

**Mr. Charlie Jamieson:** Well, on a slow day it'll run the town of Renfrew.

**Mr. John Yakabuski:** Yes, exactly. So it looks—

**The Acting Chair (Mrs. Carol Mitchell):** Yes, that's a couple of minutes.

**Mr. John Yakabuski:** Well, good to see you anyway.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you, Peter?

**Mr. Peter Tabuns:** One last one. Thanks very much for the presentation and the detail. I'm just curious about this energy-from-waste facility. Would that qualify under the feed-in tariff program?

**Mr. Charlie Jamieson:** No. We understand that energy from waste is not considered to be a renewable. It would be a thrust, if you will, from the Ministry of the Environment as opposed to Ministry of Energy.

**Mr. Peter Tabuns:** Okay. That's it; thank you.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much for your presentation.

The next presenter is not here yet, and we are running ahead of schedule, so I would ask the members to please stay by, and as soon as they arrive, we will begin. Don't go far.

*The committee recessed from 1623 to 1629.*

## PLASCO ENERGY GROUP

**The Acting Chair (Mrs. Carol Mitchell):** I will call the committee back to order.

The first order of business is to welcome our new presenter. I would just remind you that you have 10 minutes for your presentation. Then there will be five minutes for questions, and that will be a rotation of the three parties. If you could begin by introducing yourself for the record, and then begin your presentation.

**Mr. Rod Bryden:** Thank you very much. My name is Rod Bryden. I'm the president and CEO of Plasco Energy Group. Thank you for the opportunity to present to you. I do have slides, which I will go through expeditiously, I hope.

We very much believe that this act represents an opportunity for the province of Ontario to take leadership in the green energy space, and we fully support the act as a very timely initiative. Our interest today is to describe

how Plasco can contribute to the objectives of both the act and the government in its economic program by using the people of Ontario, innovations in Ontario, and something which is otherwise a problem for Ontario—municipal solid waste—by converting it to green energy and quality jobs.

The proposed legislation allows clean fuel gas produced by conversion of MSW, municipal solid waste, to be added as a renewable energy source through regulation, and this should be done, we believe, as soon as possible.

We think it was appropriate that waste not be included in the specified fuels but rather be left to be included under a regulation so that the specific conditions—the efficiency with which it is converted, and the environmental impact that may result—could be specified in the regulations to ensure that the objectives of the act are maintained. But clearly, it is one of the alternatives available to the government, and we hope that it moves on that as quickly as possible.

Plasco uses garbage that would otherwise go to landfill—not what would be recycled, but what would otherwise have gone to landfill or be composted or digested—and turns that into electricity and other valuable products. It does this by using innovations that were developed in Ontario, and people who live and work in Ontario, and materials and components largely produced in Ontario. Direct employment in a Plasco conversion facility, which produces 21 megawatts of power, is 45 people. That's two full-time jobs for every megawatt of power. So, simply put, two person-years of employment, plus 25 tonnes a day of garbage, produces a megawatt of continuous flow of green power. In a province that seeks to reduce its emissions that are attributable to energy and that seeks to increase employment, this could not be a better fit.

A little bit of history: More than 20 years of Ontario innovation is the basis of this company, which has been in business continuously since the mid-1970s. In the last three years, between 2005 and 2008, more than \$100 million of private equity capital has been invested in this company. Employment in Ontario is substantial already, and as we build conversion plants to convert waste in this province, there will be 35 to 55 jobs per plant, depending on the size. It could be larger, but for transportation reasons, we believe that the plants should not be large; they should be of modest size, to minimize trucking and congestion. So, while 55 isn't the size a plant could be, we think it is roughly the largest size that would be appropriate in most urban communities.

The Plasco manufacturing plant will produce these plants in the way you would produce locomotives: They will be delivered to site and clamped together. They are built in the manufacturing plant as you would an automobile or a locomotive.

There will be 250 direct jobs in the first plant, for which we already have space settled, though not finalized, in southwestern Ontario, and about 300 jobs for suppliers in Ontario, supplying components to that plant.

That is the first of what we believe would be several plants in light of world demand, which I'll touch on.

Today there are 180 people directly employed in Plasco. A year ago there were 60, and two and a half years ago there were six. There are about 50 people working today, supplying to Plasco, mostly in the Ottawa region, for a total of 230 jobs, versus 60, one year ago, and six, three years ago.

This is a very substantial opportunity. It is clearly one of the ways in which green energy produced in this province, and the technology to do it around the world, can be a major contributor.

The plant is a reality. This is a photograph, not a computer drawing. What you see here—this is where the garbage comes in. The trucks drive in; the doors close.

The process air that is used in the conversion is drawn from inside the plant. When the doors are open, the air pulls in, not out, so that in the summertime, you don't smell garbage around it—not that you won't smell garbage; that's a 250-acre landfill across the road. But it won't be garbage that came in to us that you're smelling.

The garbage then is converted into a fuel gas, which is stored in this chamber. That chamber stores about two and a half minutes of operation. The gas flows directly from that chamber into these engines. Those are Jenbacher engines, made by GE, that actually come from Austria. Each of those engines produces a megawatt of power.

The plant overall uses less than 25% of the total energy in the waste in order to run the plant and the plasma torches that we use to do the process, and 75% of the energy in the waste is available for net saleable power. There is no impact on the land that it sits on. This land is no more contaminated than it would be by a retail store. We're processing garbage inside of it, but that's sitting on a concrete pad; it never comes in contact with the land. It uses land, but to process all the municipal waste that comes from the households in Ottawa—from households, not ICI included, but households—would take a site of about five acres. Currently, there are 250 acres dedicated to the landfill that receives that waste.

There is no impact on water. We recover clean water out of the waste. The waste comes in at about 30% moisture; we get about 300 litres of clean water out of it. We do draw water, but we put back more water than we bring in.

There are no emissions in the conversion process. In that plant you saw, from the time the garbage comes until it goes into that big blue tank, there is nothing emitted into the atmosphere. That's constantly inspected; there are no openings, so there are no emissions. When the gas is used as a fuel in the engine, the engines have an exhaust. That exhaust is the emission from the plant. Those exhausts are well below the most stringent levels in the world.

This is a table that shows the EU's standards, California's standards, and Ontario's A-7, which are no longer really the standards in Ontario. You couldn't build any worse than that, but you can't build within that

either, but they're the only published standards at the moment. This, on the right-hand side—it's a little thin to see, but maybe it's my eyes. As you can see, we're a fraction of the last published standards in Ontario. But more importantly—because these are not going to be permitted anymore, I'm sure—we're lower than the EU's standards, which are the standards in the world, and substantially lower than California. There is no jurisdiction in the world that has any one of these contaminants at which our standard is not better. It is the best in every single one in the world.

The power that we produce is a valuable power. First, it's net CO<sub>2</sub> reduction. The power that we produce comes from waste which would otherwise have generated methane had it been allowed to deteriorate in a landfill. We eliminate 100% of that. If you use landfill gas, the price of landfill gas is, for every methane unit that you use to make fuel for your engine, another one goes into the atmosphere. There is no method of collecting all the landfill gas. There's a report coming out, if it's not out already, that says that 50% is optimistic. There's a theoretical capability of getting 70%, but it isn't real. So the price of landfill gas is—which is better than letting it all go to the atmosphere—that every time you get one unit going to the engine, one unit goes to the atmosphere. We get it all. So its CO<sub>2</sub> reduction is much better than landfill gas, which, right now, under this legislation—the published tariff is 11 cents. If they're buying value—if value is what that 11 cents is for—our power is worth a lot more.

Secondly, it's distributed power. That is, these plants are designed to be small and attractive and quiet and with no emissions so they can go inside the urban envelope, not trucked to the outside where you can hide the plant—that place that you're putting it, either the incinerator or the landfill—and then put your power on grid to bring it back into town; they are already in town. So it's distributed power and it's baseload power. Compare that to wind. It has to be where the wind's blowing. It has to be not in the urban community, it has to use transmission lines, it is not baseload, and it is highly inefficient in the use of those lines. The proposed price for wind is 13.5 cents.

This is a system which will be sold all over the world. This is a specific design provided to California, to Los Angeles. We're down to one of two. The other one is a biodigester to deal with their waste. It doesn't generate any material amount of power, but it certainly will get rid of waste in clean way—the organic waste, at least. This is a world-leading technology.

These are specific areas—Red Deer has signed a contract. The city of Ottawa has unanimously voted to use the system, although we have not yet finalized the contract. We have several contracts in discussions, well-advanced, in California and other states in the US, several in Europe, and in Asia, but more particularly in China, where Beijing—the mayor has been here and had the discussion about it. He sent a technical team back. They have asked us to come to them with a specific

proposal for 1,000 tonnes a day. They observed: “We would hope to process the waste of Beijing in your system.” That's seven million tonnes a year. Those plants could be made in this province and shipped there.

Finally, there are nine million tonnes of garbage in Ontario that go to landfill. That's after assuming that the four million tonnes that are separated actually get recycled. Much of it, as you know, does not; it's separated, but there's no market for it and it ends up in the landfill. But there are nine million tonnes that are garbage that would otherwise go to landfill, aside from recycling.

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If that were all processed in Plasco, it would produce 1,600 megawatts of power; that's half of Nanticoke, the biggest coal plant in this province. Think of this: Every time you take a tonne of garbage and put it in a landfill, you're burying 14,000 megajoules of energy. If, at the same time, the oil sands were being excavated in a strip mine, every tonne that they pick up while you're burying a tonne here has less than three megajoules. We bury 14; we dig up four. It's tougher to process the oil out of that sand than it is to get the energy out of this garbage, and when you get the oil out of the sand, it's in Fort McMurray. Your energy is here when you need it.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you. I'll give you about 10 seconds to wrap it up very quickly.

**Mr. Rod Bryden:** Perfect. Then I'll just say thank you very much. I'm not against the oil sands; I'm simply saying it's nonsense to keep burying four times as much energy inside your town while you're digging up one quarter as much at great expense and environmental impact to ship it to Houston to be processed and to move back into town to use it.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you. John?

**Mr. John Yakabuski:** Thank you very much, Rod. As I said, it's great to see you, and it has nothing to do with the fact that you're the last presenter of the day. Great presentation. I've always been intrigued and believed that we have done very little to advance the cause of extracting energy from waste; we just continue to bury it. So I think that whatever you're doing there is very positive. In fact, our last presenter from Renfrew hydro also talked about using municipal solid waste to generate some energy.

Am I correct in what you're asking for here is that we should include energy from waste as part of the FIT program, that we should be paying rates commensurate with some of the renewables that are in the FIT program? Is that what the issue is here? I didn't actually hear an ask.

**Mr. Rod Bryden:** The ask is only that the act be implemented quickly, as it's written. The way it's written, the minister may make regulations defining materials in addition to the listed materials that are renewable energy sources. There has been lots of discussion. I believe it is the intention that municipal solid waste would be

designated as one of those; I hope so. That has to be done by regulation, and we agree with that.

**Mr. John Yakabuski:** So that's the issue, to include municipal solid waste as part of the materials that are eligible?

**Mr. Rod Bryden:** Yes, under the regulation, not as a listed material. We also agree there should be very specific rules about how you do that in order to be sure that the unique characteristics are dealt with.

**Mr. John Yakabuski:** Understood. Thank you very much. I appreciate that.

**The Acting Speaker (Mrs. Carol Mitchell):** Thank you, Peter?

**Mr. Peter Tabuns:** Mr. Bryden, thanks for the presentation. Can you tell us any more about these discussions you've had about the potential designation of MSW as a source of renewable power with the ministry?

**Mr. Rod Bryden:** Yes. These discussions have been going on for about two and a half years, not uniquely after this act was passed. The discussions initially were with the Ministry of the Environment. The emissions standards that we identify here: We believe the Ministry of the Environment would tell you they are enthusiastic—not just satisfied—for us to meet those standards.

We've had discussions with staff of the ministry to ensure they understood the impact on the elimination of methane and that they understood the fact that it is baseload and that these plants are designed, at considerable cost, to fit in a community so that the power is available in the distribution grid and doesn't put demand on the transmission grid.

So our discussions have all been substantive to try to ensure that they understand that there is a different method of dealing with waste other than burning it—to get electricity. And that while burning may well be fine—we're not saying it isn't—conversion is quite different. It's recognized in California; it's recognized in Europe; it's recognized in a number of states in the US. We qualify under the DOE energy programs because it's conversion. We're hopeful that Ontario will recognize there is new technology and they should be opening the door for it; not requiring it but permitting it to be used in Ontario and paying an appropriate price for the power.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you, Yasir?

**Mr. Yasir Naqvi:** Mr. Bryden, you talked about some of the job creation aspect of the technology. Can you elaborate a little bit further on the economic development aspect of what you've been working at, and where you are in terms of commercializing this great technology?

**Mr. Rod Bryden:** Where we are is that the Trail Road plant, which is the one you saw the picture of, has taken more than a year longer than we had intended to complete the commissioning and to correct the materials handling and other mechanical issues which, when we built the plant initially, were not adequate. They worked, but not sufficiently to run the volumes that we need. That's taken us nearly a year more and about \$15 million more than we intended. Nonetheless, the plant is now performing and we are now in the position where we're willing to take on the responsibility of firm contracts to process waste for a price and in volume. We do have a specific contract to implement, and a site provided and all that, in Red Deer, Alberta.

As I mentioned, the city of Ottawa unanimously voted for us to do that here, and there's a site south on Moodie Drive that is selected for a 400-tonne-per-day plant. There are several others—double-digit numbers of plants—in both Canada and the United States and outside.

The economic impact will be at two levels. One is that in every one of those plants, what we take is garbage; a demand for power and a technology has been developed. That plant will employ between 35 and 55 people; roughly two people for every megawatt of power output. So it does directly convert the power demand in Ontario and the garbage that Ontario is trying to find ways to deal with in an environmentally friendly manner into two person-years of full-time, quality employment. These aren't people picking through garbage; these are people making between \$50,000 and \$80,000 a year converting it into electricity.

**The Acting Chair (Mrs. Carol Mitchell):** Thank you very much for your presentation.

**Mr. Rod Bryden:** Thank you.

**The Acting Chair (Mrs. Carol Mitchell):** The committee will meet again on Monday, April 20, in Toronto at 2 p.m. For the members, committee will be meeting in room 151.

*The committee adjourned at 1647.*







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Mr. Yasir Naqvi (Ottawa Centre / Ottawa-Centre L)

Mr. Peter Tabuns (Toronto–Danforth ND)

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

### **Also taking part / Autres participants et participantes**

Ms. Lisa MacLeod (Nepean–Carleton PC)

### **Clerk / Greffier**

Mr. Trevor Day

### **Staff / Personnel**

Mr. James Charlton, research officer,  
Research and Information Services

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