



ISSN 1180-5218

Legislative Assembly
of Ontario

First Session, 39th Parliament

Assemblée législative
de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Monday 6 April 2009

Journal des débats (Hansard)

Lundi 6 avril 2009

**Standing Committee on
General Government**

**Comité permanent des
affaires gouvernementales**

Green Energy and Green
Economy Act, 2009

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

Chair: David Oraziotti
Clerk: Trevor Day

Président : David Oraziotti
Greffier : Trevor Day

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Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES**

Monday 6 April 2009

Lundi 6 avril 2009

The committee met at 1403 in room 228.

SUBCOMMITTEE REPORT

The Chair (Mr. David Oraziotti): Good afternoon, everyone, and welcome to the Standing Committee on General Government. This afternoon we'll be debating 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.

The first item of business before the committee is the subcommittee report. Can I have someone read the subcommittee report? Mrs. Mitchell.

Mrs. Carol Mitchell: Your subcommittee met on Wednesday, March 18, 2009, and Wednesday, April 1, 2009, to consider the method of proceeding on 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, and recommends the following:

(1) That the committee meet in Toronto on April 6, 8, 20 and 22, 2009, for the purpose of holding public hearings.

(2) That the committee meet in London, Ottawa and Sault Ste. Marie on April 14, 15, and 16, 2009, for the purpose of holding public hearings.

(3) That the committee clerk, with the authorization of the Chair, post information regarding public hearings in the Globe and Mail, the Toronto Star, the Toronto Sun, the Ottawa Sun, the Ottawa Citizen, the London Free Press and the Sault Ste. Marie Star for one day during the week of March 23, 2009. This is to include French newspapers where applicable.

(4) That the committee clerk, with the authorization of the Chair, post information regarding public hearings on the Ontario parliamentary channel and the Legislative Assembly website.

(5) That interested parties who wish to be considered to make an oral presentation contact the committee clerk by 12 noon on Friday, March 27, 2009.

(6) That groups and individuals commenting on the bill be offered 10 minutes for their presentation, followed by up to five minutes of questions by committee members.

(7) That, in the event all witnesses cannot be scheduled in any location, the committee clerk provide the

members of the subcommittee with a list of requests to appear in that location.

(8) That the members of the subcommittee prioritize and return the list of requests to appear by 12 noon on Monday, March 30, 2009.

(9) That the committee request authorization from the House leaders to meet until 9 p.m. on Wednesday, April 8, and Wednesday, April 22, 2009, for the purpose of public hearings.

(10) That the Minister of Energy and Infrastructure be invited to appear before the committee at the commencement of the public hearings to make a presentation of up to 15 minutes, followed by five minutes of questions by each caucus.

(11) That the deadline for written submissions be 5 p.m. on Wednesday, April 22, 2009.

(12) That, for administrative purposes, proposed amendments be filed with the committee clerk by 12 noon on Friday, April 24, 2009.

(13) That the committee meet for the purpose of clause-by-clause consideration of the bill on Monday, April 27, and Wednesday, April 29, 2009.

(14) That the research officer provide the committee with a summary of presentations.

(15) That the committee clerk, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

The Chair (Mr. David Oraziotti): Any further comments on the subcommittee report? Seeing none, all those in favour? Carried.

Just one item I want to mention before we get going. The minister indicated that he will be here on Wednesday to make a presentation. His schedule didn't permit him to be here for today's session.

**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.

SIERRA CLUB ONTARIO

The Chair (Mr. David Oraziotti): We can start with the first presenter, the Sierra Club, if you'd like to come forward. Good afternoon and welcome to the committee. You have 10 minutes for your presentation. Please state your name for the purposes of the recording Hansard, and you can begin when you like. There will be five minutes remaining for questions from members of the committee.

Mr. Dan McDermott: I'm Dan McDermott, director of Sierra Club Ontario. With me today is Sarah Giles, who is a researcher with Sierra Club Ontario.

Bill 150, the Green Energy Act, represents a substantial advancement in Ontario's commitment to renewable energy. When enacted, Bill 150 will transform the reality of renewable energy in Ontario from its current boutique status to that of a significant and expanding component of the province's electricity mix. The Green Energy Act will transform Ontario from non-player to the role of sustainable energy rising star of North American jurisdictions.

This is not to say that the Green Energy Act is perfect, but it is undeniably a very good start. Changes to the act are being recommended by environmentalists and green energy advocates. As just one example, Sierra Club strongly supports the recommendation that feed-in tariffs should not be left to ministerial discretion but should be mandated as a highly necessary tool to guarantee a solid and expanding role for green energy generation in Ontario.

Much more also needs to be done before Ontario can be considered to be in the company of energy-efficient jurisdictions in North America. Sierra Club continues to be frustrated by the Ontario government's failure to absorb the simple wisdom that the cheapest, most efficient and environmentally sustainable form of electricity generation is the energy you don't use. It is good that we have come to accept the clothesline as an acceptable technology in this province, but we have a long way to go before Ontario can be mentioned in the same breath as energy conservation leaders such as California. Bill 150 does not close this gap.

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In addition to the growth of green energy generation that will be achieved in Ontario as a direct result of Bill 150, the Green Energy Act sends a strong signal that Ontario is open for green energy business. We are already seeing indications that Ontario is being positioned to become a North American leader in the rapidly emerging market of green energy technology and equipment. Hopefully, the recent announcement of a solar equipment manufacturing facility opening shop in Kingston will be the leading edge of Ontario's emergence into the economy of the 21st century.

The counterbalance to Sierra Club's Green Energy Act enthusiasm remains the Ontario government's slavish addiction to nuclear expansion. Insanity has been defined as engaging in the same activity repeatedly and expecting a different outcome. By this measure, Ontario's continuing love affair with nuclear power clearly qualifies as insane. Years of meaningless construction schedules, outrageous cost overruns and unexpected reactor breakdowns were ignored by the Ontario Power Authority and continue to be ignored by the government. The McGuinty government blithely repeats the assurances of nuclear agents that the future will be problem free and the past should be forgotten.

Green energy advocates have noted that governments can commit to either soft path energy or nuclear expansion; there simply is never enough money to do both. This observation is now being stated by the nuclear lobby, as it views with alarm the growing commitment of governments to green energy. Concerns are being voiced that too much green energy could impinge upon nuclear profits. In this perverse world view, the absolute primacy of nuclear must be assured and all other methods of keeping the lights on must conform to this absolute.

Sierra Club congratulates the government of Ontario on the bold and forward-looking initiative that is Bill 150. Other deputants will present you with details on how the Green Energy Act can easily and effectively be improved.

Sierra Club's overarching concern is that the Ontario government's new-found support for green energy is on a collision course with its commitment to nuclear power. The reality is that nuclear expansion and green energy growth are incompatible cohabitants. The day will come when the government of Ontario will need to choose between these competing priorities. Sierra Club strongly urges the McGuinty government to make the choice now to stop throwing good money after bad and invest in the green energy future that must quickly become our present.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. We'll start with questions from the opposition. Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much for your presentation today, Dan and Sarah. A couple of questions: This act lays out no actual targets for reducing emissions. Is that a failure of the act or something that is simply—

Mr. Dan McDermott: As I said, the act is not perfect, but it is light years ahead of where we are now, in terms of incenting green energy in Ontario. We're already seeing signs that this could be the leading edge of Ontario becoming a primary jurisdiction in terms of green energy growth. The facility in Kingston speaks loudly to that.

Mr. John Yakabuski: This act, if implemented, would require a whole lot of small generation as opposed to big generation. As the Sierra Club, with your mandate for protection of the environment etc., how do you see that juxtaposing with your mandate? If you have a whole

lot of small generators around the province, you will require a whole lot more smaller transmission going through wild lands and woodlands etc. How does that mesh with your mandate of protection of the environment?

Mr. Dan McDermott: Decentralized energy generation and distribution has been something the environmental movement has been advocating for a good number of years. Experts such as Amory Lovins have spoken eloquently to bringing sources of generation closer to where they are used, as opposed to the large, central model. I think what you will see is that community use of electricity will also mean community production of electricity.

Mr. John Yakabuski: I want to ask you a question on the price. We had a report released today from London Economics International that indicated the price of electricity could go up 30% to 50% between 2010 and 2025 under this act. Is there a limit? Because if you look at the feed-in tariff, which you people obviously support, the feed-in tariffs go as high as 80.2 cents, but even if you average it out based on what generation will fill in what gaps, we're probably looking at, certainly, a price of more than 15 cents per kilowatt hour as an average just for the power. Is there a limit to what the Ontario economy should accept in the price of power—or whatever it costs?

Mr. Dan McDermott: What you're seeing in the Green Energy Act and what you're seeing in terms of the pricing that will be necessary to get solar and wind on to our grid and as a meaningful part of our supply is an honest accounting. We've not seen such honest accounting in terms of other sources of energy in this province. I would point out that the stranded debt that we talk about in Ontario is principally a nuclear debt. That is certainly a part of the long-term cost of the electricity we've been enjoying these many years.

The Chair (Mr. David Oraziotti): Thank you, Mr. McDermott. We have to move on. Mr. Marchese.

Mr. Rosario Marchese: Thank you, Dan. I'm glad you focused on nuclear, because New Democrats have been talking about this for quite some time, and I made reference to that in my own remarks in the 20 minutes that we get. We believe that the government, as much as it is advancing in the area of renewable energy—we believe the real commitment is to nuclear. They rarely talk about it. They avoid the subject. We argue that nuclear is incredibly expensive. To create two new nuclear stations, it could be anywhere from \$25 billion to \$40 billion or \$45 billion. We argue that it's not as clean as the minister and as the government say, that no one knows what to do with the radioactive waste; no one has figured it out yet. It's dangerous; it's radioactive for 10,000 years. It can hardly be clean. The tritium—the sub-product of the processing—is serious in terms of the lethal implications it has. So it's costly.

People talk about the feed-in tariffs and how costly that will be, but they don't talk about how costly nuclear is going to be for us, let alone the other elements I

mentioned. So I don't know whether you want to add any more to the comments you made, but in my mind, the real commitment is to nuclear, and that limits the amount of renewable energy you can produce, based on the commitment they have to nuclear.

Mr. Dan McDermott: That's the significant part of the message I'm bringing today. I salute the government for the commitment that the Green Energy Act represents. I'm concerned that, at some point, the government is going to have to come to a decision, in terms of which direction to favour. As we have seen many times in the past, the nuclear genie is insatiable in terms of the appetite for evermore of our dollars.

In terms of the accounting of the costs of solar and wind, we're seeing that those costs are coming down, that as these technologies improve and become more efficient, the electricity they produce becomes cheaper. With nuclear, we are not seeing any such benefits. In terms of nuclear accounting, I would dearly love to know what is going to be our budget for monitoring nuclear waste in the year 2109, because we will have to be making expenditures to look after those very dangerous wastes at that time and for centuries beyond that.

Mr. Rosario Marchese: Thank you, Dan.

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

Ms. Laurel C. Broten: Thank you, Dan. You made mention with respect to California and that being a jurisdiction where they really have created a culture of conservation. I'm wondering what your view is with respect to some of the elements which are contained in the Green Energy Act, both honest accounting with respect to externalized costs of using coal electricity—I think as a government we've really tried to focus on that—but also with respect to information that can be provided to homeowners and how we might be able to replicate some of the efforts that California has made in terms of that culture of conservation.

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Mr. Dan McDermott: Sierra Club, a couple of years ago when Ontario was making the decision as to whether or not to invest in new nuclear, brought three energy efficiency experts from the state of California to tell how they had managed to do the miracle of actually decreasing demand in a state where population continues to increase. They said that it came out of necessity. It's very difficult for them to bring any new sources online because of existing regulation; any nuclear that would be proposed in California would have to go through a referendum, and thus virtually guaranteed of being defeated. So it came out of necessity, and Ontario is going to have to grasp that same necessity. We missed a golden opportunity a couple of years ago with the building code. Marginal improvements were made when major improvements were required.

So many aspects of energy conservation are things that we don't think about. For example, municipal electricity expenditures by municipal governments: The principal thing that that electricity is used for is pushing water

through the system. So in that context, the leaky pipes that we know need to be replaced throughout Ontario would not only be water conservation measures, they would be energy conservation measures as well.

Ms. Laurel C. Broten: Do you think that the home energy audit that's proposed in the Green Energy Act will facilitate an individual homeowner's knowledge of the efforts that they could take to improve the energy efficiency of their home?

Mr. Dan McDermott: It's certainly a step in the right direction. I do think much more should be done in terms of mandating the improvements in terms of new build, so that the houses and dwellings that we're bringing online in the 21st century meet 21st-century energy needs.

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

ONTARIO CLEAN AIR ALLIANCE

The Chair (Mr. David Oraziotti): Our next presenter is the Ontario Clean Air Alliance, Jack Gibbons. Good afternoon, sir. Just state your name for the purposes of Hansard, and you have 10 minutes for your presentation. You can begin when you like.

Mr. Jack Gibbons: Thank you Mr. Chair, members of the committee. I'm Jack Gibbons from the Ontario Clean Air Alliance. Thank you very much for the opportunity to speak to you this afternoon about the proposed Green Energy Act.

At the beginning of the last century, thanks to the strong leadership of Sir Adam Beck and Ontario Hydro, Ontario phased out coal-fired generation for the first time and created for our province a virtually 100% renewable electricity system that lasted for almost 50 years. By the beginning of next year, thanks to the strong leadership of Premier Dalton McGuinty, we will be able to achieve a virtually complete coal phase-out for the second time in Ontario, and as a result, once again, we have the opportunity to move our electricity system towards a 100% renewable electricity grid. The proposed Green Energy Act is an important step forward on the road to a renewable electricity future for Ontario.

The Ontario Clean Air Alliance has two objectives: first, to help move Ontario towards a renewable electricity future as quickly as practically possible, and second, to achieve that objective at the lowest possible cost to Ontario's electricity consumers and taxpayers. Therefore, we would like to propose two amendments to the Green Energy Act to help achieve those objectives.

Our first proposed amendment is an amendment which would make it illegal for nuclear power companies to pass their capital cost overruns on to consumers and taxpayers. This proposed amendment would do two things. First, it would create a level playing field between nuclear and renewable energy companies. To date, the Ontario Power Authority has signed over 450 contracts with renewable power suppliers. Not one of these con-

tracts allows the renewable power suppliers to pass their cost overruns on to consumers or taxpayers.

In addition, our proposed amendment would also protect Ontario's consumers and taxpayers from future nuclear cost overruns. As you know, every nuclear project in the history of Ontario has gone over budget. As a result, last year, Ontario's long-suffering electricity consumers and taxpayers had to shell out \$2 billion to pay down the nuclear debt of the now-defunct Ontario Hydro. That is equivalent to \$600 a year for a hard-working family of four, and we are on the hook to continue to pay these charges for years to come. Ontario is now a have-not province. We cannot afford to repeat the mistakes of the past.

Our second proposed amendment is to create a feed-in tariff for natural gas combined heat and power plants. Today, Ontario obtains approximately 25% of its electricity from renewable sources. We obviously cannot move to a renewable electricity future overnight, so we need a transition option. Combined heat and power plants use natural gas to simultaneously produce heat and electricity. We believe that as long as we continue to use natural gas for heating, we should also use these same molecules of natural gas to simultaneously produce electricity. In this context, I would like to note two facts: First, Ontario's combined heat and power potential exceeds our total existing nuclear generation capacity; second, combined heat and power plants are our lowest-cost supply option to help us transition toward a 100% renewable electricity grid.

Thank you very much for your attention.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. I'll start with the NDP. Mr. Marchese.

Mr. Rosario Marchese: Just a quick question, Jack.. I accept your amendment. It says, "Make it illegal for nuclear power companies to pass their capital cost overruns on to Ontario electricity consumers and taxpayers," which is a very useful thing, because we know there have been overruns everywhere. But we are saying we shouldn't be doing it in the first place. We shouldn't be building nuclear in the first place. We should be committing ourselves to renewable now, and once we make that effort and expand it as much and as best we can, then we talk about what else we need to do.

Are you saying that nuclear is a given and you're accepting that, and the only thing we can do is try to make sure they don't pass the cost overruns on to the public?

Mr. Jack Gibbons: We're not saying nuclear is a given. The decision has not been made yet. The Ontario Clean Air Alliance is promoting the move to a renewable electricity future—that's our goal—and we are not advocating nuclear power.

Nuclear power is a very divisive issue in this province, and it has tended to be a theological debate. We're trying to help resolve that debate and move forward. I think that virtually everyone who believes nuclear power is economic also believes we should protect consumers and

taxpayers. They believe it's appropriate that private sector companies should not be allowed to pass their cost overruns on to consumers and taxpayers, and virtually everyone who supports nuclear power believes in a level playing field.

In order to try to build consensus and move forward, we're saying, "Create a level playing field, and then let the market reveal which is the lowest-cost option." We believe that if there is a level playing field, then the market will reveal that energy efficiency, renewables, combined heat and power, and electricity imports from the great province of Quebec are lower-cost options to keep our lights on. If we can demonstrate that—if the market demonstrates that—I think that virtually everyone in Ontario will support moving in this direction.

The Chair (Mr. David Oraziotti): Mr. Mauro.

Mr. Bill Mauro: Thank you, Mr. Gibbons, for your comments. I'm interested, if I could, in revisiting your comments on the use of natural gas for generation of electricity. I'm not sure where we are in Ontario today, in terms of the percentage of electricity that's produced by the use of natural gas. Have you got a sense of where we are with that right now?

Mr. Jack Gibbons: I think it may have been approximately 8% last year.

Mr. Bill Mauro: Do you have a sense of where you would like to see that go, in terms of the total percentage of our production you would like to see come from natural gas?

Mr. Jack Gibbons: Our long-term goal is to move to a 100% renewable electricity future. So in the long run, it would be zero. But what we're saying is that we use a lot of natural gas today for heating homes, offices, buildings and factories. We're just using those molecules of natural gas to provide one service, heating, and we're going to continue to do that for many years to come. We're saying that as we continue to use natural gas for heating, let's use it as efficiently as possible and also produce electricity at the same time. That's what they do in Europe; that's what they do in Japan. We're buying that natural gas from Alberta. Ontario dollars and jobs are flowing out to Alberta to buy that natural gas. So if we are going to continue to use natural gas for heating to drive our production processes in industry, let's get the maximum bang for that buck.

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Mr. Bill Mauro: If we started to use natural gas to produce electricity more than we do currently, many people see it as a significantly declining resource, a diminishing resource. Is that not going to pressure home heating costs? Many people see natural gas's best use as simply for home heating, and if we begin to buy more of it, a larger quantum of it, from Alberta to produce electricity in Ontario, is that not going to put upward pressure on home heating costs for people who live in residential accommodation?

Mr. Jack Gibbons: Increased demand for natural gas by Ontario will have a very insignificant impact on the price of natural gas. We have a North American market

in natural gas thanks to the Mulroney free trade deal. Ontario consumes about 4% of North America's total natural gas. So if we increase our natural gas consumption, it's not going to have any significant impact on the North American commodity cost of natural gas.

But what we are also saying is that even though we should use natural gas as efficiently as possible for combined heat and power as a transition option—we have about 70 years of natural gas supply left in Canada—we should also be very aggressively promoting the energy conservation of natural gas as a whole. So while we're using more natural gas for electricity generation, our total Ontario natural gas consumption should go down.

I agree with you that we should be moving to reduce our total Ontario natural gas consumption, but as part of that we should use it as efficiently as possible, with the natural gas combined heat and power plants, as a transition option as we move toward a 100% renewable grid. Again, the more the Green Energy Act is complemented by hydroelectricity imports from the province of Quebec and the province of Newfoundland and Labrador, the quicker we can transition to a 100% renewable future and reduce our dependence on gas from Alberta.

The Chair (Mr. David Oraziotti): Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much for joining us, Jack. It's always good to see you.

You talked about power at the lowest possible price, and I know you and I might have this debate about nuclear, but we're going to stay off that one today because we have limited time. Bill already asked you about that to some degree.

The cost of power is a significant issue for industry and families in Ontario. Under this Green Energy Act, the report that was tabled today suggests that the cost of power could rise substantially depending on the uptake numbers in the act, because we've got a feed-in tariff system that says, "We will pay this much for that kind of power—no limits. If you want to build it, we'll pay for it." Does the alliance agree that there is a limit to the cost of power, at which industry or families simply cannot bear anymore?

Mr. Jack Gibbons: To respond to you, John, a couple of points: I think that no matter what electricity supply future we choose, electricity rates will go up in Ontario.

Mr. John Yakabuski: George says only 1%.

Mr. Jack Gibbons: They're going to go up by more than 1%. So we are proposing policies to ensure that the increase in the price of power is as low as possible. Again, having a combined heat and power feed-in tariff would be one way to do that, because the cost of combined heat and power is about six to nine cents a kilowatt hour, compared to the cost of new nuclear, which Moody's Investors Service says is 15 cents a kilowatt hour. That's one way.

The other way to keep rates down is to import more relatively low-cost hydroelectric power from Quebec and Labrador, and also to dramatically increase our spending

on energy efficiency, because that's the best way to reduce bills and increase the competitiveness of our industries. To date, for example, for every dollar the Ontario Power Authority has spent on energy conservation and efficiency, they've contracted for \$60 of new supply. So we haven't taken a balanced approach. We need to ramp up our spending on energy efficiency to reduce the bills of all types of consumers.

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

BETTER PLACE

The Chair (Mr. David Oraziotti): Our next presenter is Sean Harrington. The organization is called Better Place.

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

Mr. Sean Harrington: Thank you, Mr. Chair, and thank you to the members of the standing committee for allowing me to speak to you today.

My name is Sean Harrington and I am director of global development for Better Place. I am a transplanted Canadian working in California, but I recently had the pleasure of spending 12 weeks in Toronto, building our relationship with the Ontario government and further developing our business plan for Better Place Canada.

For those committee members not familiar with Better Place, the company was born from World Economic Forum founder Klaus Schwab's question to young global leaders in 2005: "How do you make the world a better place by 2020?"

Schwab's question inspired Better Place founder and CEO Shai Agassi to imagine a world without oil. Agassi drew from his experience as a senior executive at SAP, and insights from world leaders, notably Israeli president Shimon Peres, to formulate a business model that applies mobile phone industry economics and renewable energy to transportation.

Founded in October 2007 on US\$200 million of venture capital, the Better Place mission is to end dependence on oil by unbundling oil from transportation through the deployment of electric-car-charging networks powered by renewable energy.

Under the Better Place model, the company plans and installs a network of charge spots and battery switch stations, giving drivers the same convenience to top off as they enjoy today with gasoline stations.

Much like the mobile phone model, Better Place installs and operates the network of charging infrastructure, while leading auto manufacturers produce electric cars for the Better Place network. Better Place sources renewable energy to power the network, creating a zero-emissions solution from generation to grid to transportation.

For consumers, it means they'll be able to subscribe to a sustainable transportation service. Better Place provides the batteries to make owning an electric car affordable and convenient. Better Place will install charge spots in parking spaces at home, at work and at retail locations, which enable the network to automatically top off the electric car.

For distances longer than what most people drive in a given day, drivers will pull in to battery switch stations to swap a depleted battery for a fresh one in less time than it takes to fill a car with gasoline.

Better Place acts as a catalyst for sustainable mobility by partnering with the world's leading car manufacturers to build zero-emission vehicles with swappable batteries. The company also partners with energy companies to provide renewable sources of electric generation to power electric cars.

By building and operating a network for electric cars powered by renewable energy, Better Place enables markets to switch to sustainable transportation, reducing oil dependence and greenhouse gas emissions while fueling the green economy.

In January 2008, Better Place announced its first country partner, Israel, which declared a policy for energy independence by 2020. Better Place now has agreements with Denmark, Australia, California and Hawaii.

On January 15 of this year, at a well-attended media event, the Premier announced that Ontario would be joining forces with Better Place. At the event, Better Place announced that they would be building an electric car demonstration and education centre in Toronto to lay the groundwork to help get electric cars running on Ontario's roads.

At the event, the Premier also announced that in May 2009, the Ontario government will release a study which will look at ways to speed up the introduction of electric vehicles, including financial incentives designed to encourage the purchase of electric vehicles; preferred access to the transportation grid to encourage the adoption of electric vehicles; forward-looking procurement policies to speed government adoption of electric vehicles into fleet services where appropriate; and, co-ordinated public education and promotion of electric vehicles as a mode of personal transportation.

Better Place chose Ontario because of its commitment to strong action to fight climate change and its commitment to increasing the amount of renewable energy available. Here in Ontario, Better Place is partnering with Bullfrog Power, Canada's only retailer of 100% green electricity, so our electric vehicles will be powered by clean, green energy.

Because of the Better Place commitment to use renewable energy, Better Place is supportive of the proposed Green Energy Act and how it will allow for more clean, green energy to be produced in Ontario. In 2007, the province of Ontario set forth an ambitious action plan on climate change that called for a 15% reduction in greenhouse gas emissions from 1990 levels

by 2020. In doing so, Ontario took a leadership role in the world in terms of its commitment to environmental stewardship.

For the province to seriously address climate change and reduce its greenhouse gas emissions, it must tackle the challenge posed by the transportation sector. Yet most energy and environmental experts have typically viewed this sector as one of the most challenging to address, due to the obvious advantages of using liquid fuels to compensate for the mobility constraints implicit in transportation.

However, in recent years, we have seen a massive shift in vehicle technology and high fuel prices, and we are now seeing a new generation of fully functional, safe, reliable and affordable electric vehicles and plug-in hybrid electric vehicles entering the market. These cars represent the future of sustainable mobility, generating a fraction of the carbon emissions of gas-powered vehicles.

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Better Place is encouraged by the government's commitment to tackle the harmful emissions associated with the transportation sector, and that is why Better Place is pleased to see that one of the most notable elements of the Green Energy Act is the commitment to creating a new attractive feed-in tariff regime and the commitment to creating a smart-grid system.

Electric vehicles on a smart-grid system represent tremendous electricity storage potential. On a smart-grid system, these electric vehicles have the potential to mitigate the challenges that come with the intermittency of renewable electricity. Better Place uses smart-charging technology to ensure that vehicles are charged in a way that optimizes the supply of electricity on the grid. For example, Better Place can control the charging of vehicles such that when the wind is blowing and producing electricity through Ontario's wind farms, that electricity is being absorbed by the electric vehicle batteries. As more electricity generated by wind energy is brought on to the grid, as is intended by the Green Energy Act, this benefit of electric vehicles and smart charging will become increasingly important to Ontario's electricity grid.

According to the Ontario Smart Grid Forum's report called *Enabling Tomorrow's Electricity System*, "Electric vehicles hold tremendous promise for Ontario. They can help clean up our air, reduce our dependence on petroleum and create new green jobs for the province." The Ontario Smart Grid Forum's report also argued that, "Building on its established automotive base and its commitment to a greener future, Ontario has an opportunity to become a leader in the development and deployment of electric vehicles."

The beauty of plug-in electric and hybrid vehicles is that the vast majority of the charging infrastructure required to power them already exists today. The electricity transmission and distribution system in Ontario is ubiquitous and extremely reliable. Further, the electricity that would fuel these vehicles is majority carbon-free. The province needs only to solve the last

metre problem, creating the infrastructure that will connect the vehicle fleet with the grid.

In our discussions with the government regarding building electric car infrastructure in Ontario, we have discussed the importance of consumer incentives, both financial and non-financial, associated with the purchase of electric cars.

Our concern with the culture of conservation that is promoted by aspects of the proposed Green Energy Act is the parts of the act that would encourage energy conservation at home and in the workplace. Our concern is not with the concept of conservation, which we wholeheartedly support; rather, the concern is that the implementation of conservation programs would have the unintended effect of discouraging adoption of electric vehicles. Better Place would like to ensure that when regulations and details surrounding electricity conservation in the home are drafted, they reflect the overarching goal of the Green Energy Act, which is the conservation of energy and not just the conservation of electricity.

For example, a consumer should not be negatively impacted for increasing the use of electricity at home if this electricity will be used to power an electric car. According to our calculations, for every gas-powered car that is displaced by an electric equivalent, approximately four tonnes of annual greenhouse gas emissions are abated.

I'm here today because Better Place wanted to articulate its strong support for the Green Energy Act. We want to commend the government for introducing such an environmentally progressive piece of legislation, which will not only benefit Ontarians, but will set an example for the rest of Canada and the rest of the world to follow. As Ontario begins to make this important transition to increase renewable energy and conservation, largely in part because of the proposed Green Energy Act, Better Place knows that electric vehicles will play a critical role by offering a means to store electricity and dramatically reduce greenhouse gas emissions. Better Place, through its charging infrastructure, smart-charging technology and revolutionary business model will enable mass adoption of electric vehicles in Ontario, which is great for the environment and great for the economy.

Better Place is representative of the many companies that will be attracted to Ontario because of the leadership role this government is taking on climate change and renewable energy by introducing the Green Energy Act. During these tough economic times, these companies have the potential to create new jobs and prosperity for Ontario, and can help position Ontario to emerge from the current economic crisis stronger than ever.

Thank you for allowing me to present to the standing committee today. I can now answer any questions you may have.

The Chair (Mr. David Orazietti): Thank you. You had your 10 minutes timed very well. Ms. Broten?

Ms. Laurel C. Broten: Sean, thank you for attending today. First of all, congratulations on the work that Better Place is doing.

Mr. Sean Harrington: Thank you.

Ms. Laurel C. Broten: I think it's a really innovative solution that's being brought forward, and it's nice to have you in front of committee today.

Your point with respect to unintended disincentives: In some ways, with respect to the culture of conservation, that is the goal, or at least a significant part of the goal of the Green Energy Act. Are there any lessons that we can learn? I know that you've launched networks in Denmark, Australia and northern California. Are there any examples of regulatory regimes or established conservation targets and goals in those jurisdictions that have been accommodated, by way of regulation or otherwise, to not serve as the disincentive that you've put forward with respect to plug-in hybrid electric vehicles?

Mr. Sean Harrington: Sure. The best example of a jurisdiction that has taken that issue into consideration is California. If you look at PG&E as an example of an investor-owned utility, they have a separate electricity rate for electric vehicles. They have accommodated for the fact that there are so-called good loads and so-called bad loads. A good load is an electric vehicle, because it's displacing the burning of fossil fuels, so overall, it's a significant decrease in emissions. Therefore, there is a separate measurement of electricity for electric vehicles and a separate preferred rate for electric vehicles. Is that the only solution? No, but that's one example where it's taken into account; where per capita usage does not include electric vehicle use.

Ms. Laurel C. Broten: Is that preferred rate limited to confirmation that the electricity is being supplied exclusively by renewable sources?

Mr. Sean Harrington: No. The requirement is that the electricity is going to a vehicle as opposed to any other load at the home.

Ms. Laurel C. Broten: As we meet our goal of getting off coal in the province, one of the challenges, and one of the things that you hear people talk about, is that we can't simply transfer tailpipe emissions to our electricity-generating emissions, and that has been part of the concerns raised with respect to electric hybrid vehicles. What do you say to that as we move forward?

Mr. Sean Harrington: I would just say that in terms of the overall usage, first, from Better Place's standpoint—and I think you'll see that consumers who drive electric vehicles have a desire to purchase only clean, green electricity wherever they can, whether it's Bullfrog or other systems in other jurisdictions. But further, the amount of electricity that's required to fuel 3,000 electric vehicles on an ongoing basis is the equivalent of one two-megawatt wind-powered turbine, by our calculations. It fuels about 3,000 vehicles.

The Chair (Mr. David Orzietti): Thank you for your presentation. That's all the time we have. Pardon me, Mr. O'Toole. Questions?

Mr. John O'Toole: Thank you very much, Sean. It's always a pleasure to hear from young people involved in evolving technology. I think everybody in the room here

agrees with conservation being the primary goal to not having to drain our resources in the economy.

I had the privilege of seeing quite an interesting project in Alberta. It was a partnership between the Alberta utility sector and the wind sector. It's called Ride the Wind!, where they actually power the transit system, which is electric, from wind power at Pincher Creek. It's quite an interesting partnership and it kind of reminds me of some of the things you're saying. It's interesting enough coming from Alberta, such a lousy province in terms of its environmental record.

One thing that I'd like to see is, are there any projects up and running in this particular—charging batteries from wind power and running cars? Are there any pilot activities going on anywhere in the world?

Mr. Sean Harrington: We, as Better Place, are in six markets around the world. We've started building infrastructure in Israel. We have roughly 800 chart spots built out. We have our first battery exchange station, which is operational and will be unveiled in Japan in April—

Mr. John O'Toole: Yes, I heard some of the stuff. We had a bit of a media lodge here. It was quite interesting.

I'm wondering about the performance of commercial vehicles in cold climates. Have you done any evaluation or assessment of that?

Mr. Sean Harrington: Sure. It's an important issue when you're looking at Canada—

Mr. John O'Toole: Yes, because it's cold here all the time.

Mr. Sean Harrington: Coming from Calgary—originally born and raised—certainly, that's an even bigger issue there than here. The answer is, yes, it's taken into the engineering of the electric vehicles. Essentially, the battery is in a climate-controlled environment, so there's some electricity that is used to keep the battery warm in cool climates and cool in hot climates.

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Mr. John O'Toole: I wish you good luck, because as I said, wind power now comes in—it will probably cost about the same amount as gas would cost today.

I'm aware also that GM has a big project in California on hydrogen-powered vehicles, which again, is like a battery. Batteries only store energy, they don't create it, so all you're doing is using energy that's generated and storing it, hopefully in an off-peak period. Would your technology have the ability to feed back into the system, sell power back to the system?

Mr. Sean Harrington: Yes, in the long run, it's a concept called vehicle-to-grid technology. It's not that far off. Essentially, at times of peak demand, the electricity would go—

Mr. John O'Toole: When you're not using the car—

Mr. Sean Harrington: Yes, correct.

Mr. John O'Toole: —you're parking it at the airport or something, you could be feeding power back into the grid. So that's all part of the scheme here?

Mr. Sean Harrington: Correct.

Mr. John O'Toole: That's actually something I'd like to see more of in the future. It's quite interesting.

The Chair (Mr. David Oraziotti): Thank you for your question, Mr. O'Toole. Mr. Tabuns.

Mr. Peter Tabuns: Sean, thanks for the presentation. I have two questions. First, if, in fact, we were to convert the car fleet in Ontario to be 100% electric vehicles, what's the total dollar value of the electricity that would have to be produced to feed that fleet?

Mr. Sean Harrington: I don't know the answer in terms of the dollar amount. What I do know is, in most jurisdictions—and I would say Ontario falls somewhere in this bracket—if you convert the entire vehicle fleet to electric, the total demand for electricity over any given period of time is increased by roughly 6% to 15%. So it's an increase, but that's when you're converting the entire fleet, which is certainly not going to happen overnight.

In addition to that, when you look at that, that's total kilowatt hours used, and the beauty of electric vehicles is that they're charged predominantly in the evening when you have underutilized baseload assets or you're at least not adding any additional peak demand requirements.

Mr. Peter Tabuns: Second question: Can you tell us in cost equivalent to dollars per litre, what the electricity would cost? So if I'm recharging my electric battery—

Mr. Sean Harrington: Sure.

Mr. Peter Tabuns:—what would it be? Would it be equivalent to \$1 a litre, \$1.50 a litre?

Mr. Sean Harrington: In terms of just the electricity costs, if you took an example of 15 cents a kilowatt hour, that's roughly what we calculate at about three cents a mile or roughly two cents a kilometre. The gas equivalent would be more around seven or eight cents at today's given prices. So there is significantly lower cost on the electricity side. The interesting thing with electric vehicles is that a lot of the cost is buried in the cost of the upfront battery, so taking out that upfront cost, either through a financing mechanism or through a business model like Better Place where we own the battery, is also important.

Mr. Peter Tabuns: The two cents per kilometre is at how much per kilowatt hour?

Mr. Sean Harrington: Roughly 15 cents a kilowatt hour.

Mr. Peter Tabuns: Right. Thank you.

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

Mr. Sean Harrington: Thank you.

RUTH GRIER

The Chair (Mr. David Oraziotti): Our next presenter is Ruth Grier. I think most of you know Ms. Grier is a former MPP and former cabinet minister. Welcome.

Ms. Ruth Grier: Thank you, Mr. Chair. I'm here today on my own behalf, but as I listen to the discussion I do have a recollection of spending seven weeks in this room in my first term in the Legislature debating whether or not to proceed with the Darlington nuclear plant, and

the minority report written by two of us New Democrats to that is perhaps valuable reading today as you struggle with the same decisions.

I'm here today, as I say, on my own behalf. I'm a member of a number of health and environmental groups, and I want to talk about just one small aspect of the Green Energy Act. I support the direction of the act and the need to increase the amount of green energy in the province's portfolio, and I know only too well when you try to introduce groundbreaking environmental legislation, this requires a balancing of competing interests. But I also believe that all legislation is improved by genuine consultation and collaboration with those competing interests. So I welcome the opportunity to comment on one particular aspect of the green energy bill that, to me, runs the risk of undermining the protection of one of Ontario's most significant environmental areas: the Niagara Escarpment.

The Niagara Escarpment protection plan is quite unique, and for the last 30 years has had the support of provincial governments of all three political parties.

Bill 150 changes the definition of "utility" in the escarpment plan and seeks to establish a one-stop approval process for wind projects. Depending on how the regulations are drafted, this might mean that the Niagara Escarpment Commission no longer could fulfill the purposes and objectives of the Niagara Escarpment Planning and Development Act. This responsibility would be given to the Minister of Energy.

The Niagara Escarpment plan is Canada's first and most extensive environmental land use plan. It was adopted in June 1985 by the then provincial secretary for resources, Norm Sterling, and there was applause from both of the opposition parties in the House at that time. All governments since then have supported continued protection of the environment and of the escarpment.

The purpose of the act and the plan is to "provide for the maintenance of the Niagara Escarpment and land in its vicinity substantially as a continuous natural environment, and to ensure only such development occurs as is compatible with that natural environment." Responsibility for administering the green plan lies with the Niagara Escarpment Commission, and its record of balancing pressure for development and protection of the environment has received international recognition. In Ontario, the Niagara Escarpment Commission was the model for the Oak Ridges moraine and greenbelt planning exercises.

In 1990, the United Nations Educational, Scientific, and Cultural Organization, UNESCO, named Ontario's escarpment a biosphere reserve. In making the announcement of this honour, Dr. Federico Mayor, secretary of UNESCO, said, "The protection of this complex landscape within a rapidly urbanizing region is a tremendous feat of coordination requiring leadership, hard work, imagination, tenacity and a good dose of human psychology." The Niagara Escarpment Commission has shown all of these qualities over the years.

Being designated a biosphere reserve recognizes the escarpment as an internationally significant ecosystem and puts it in the company of other biosphere reserves such as the Galapagos Islands, Africa's Serengeti and the Florida Everglades. The important criterion for this designation is that the escarpment is a continuous natural environment. While occupying only 0.2% of Ontario's land mass, the escarpment is a 725-kilometre green corridor containing 40% of Ontario's rare plants; most of the North American population of hart's tongue fern; 37 species of orchids; the oldest trees in eastern North America—cedars 1,000-plus years old; over 300 species of birds, 200 of which are known to breed on the escarpment; 55 mammal species; and 36 species of reptiles and amphibians. It is an iconic feature of our province.

Municipalities along the escarpment are represented on the commission, and over the years have come to recognize the value of the escarpment as a magnet for tourists, be they birdwatchers, hikers or skiers. Land-owners once feared that protecting the escarpment would prevent them from building or developing their properties, but have realized that that is not the case and that planning with the guidance of the commission has benefited them and the environment and maintained the rural landscape that makes central Ontario so beautiful.

We have property in Clearview township, and when we went up there in the early 1980s, the farmers were saying that the Niagara Escarpment Commission would be telling them what colour to paint their barns. I think that kind of thinking is now gone.

The commission began to discuss the growing demand for wind power several years ago and, after lengthy consultation, developed their own policy with respect to applications for towers within the plan area. But Bill 150 contemplates large-scale commercial projects and their accompanying transmission lines. This is what would break the continuity that is such an important feature of the Niagara Escarpment plan—a continuity that is critical to the maintenance of wildlife as well as the landscape.

So my request is that as you consider Bill 150, you ensure that doing one good thing for the environment does not undermine a 30-year record of environmental achievement and does not set a very dangerous precedent. If wind farms are considered important enough to override protection of the escarpment, then there will be lots of other industries and applicants at your door, looking for the same privilege.

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I think this is a case where you in the government can have it both ways: You can encourage wind power, but recognize that there are some areas of the province where existing environmental protection should take precedence. I submit that the Niagara Escarpment is such an area. Thank you very much.

The Chair (Mr. David Oraziotti): Thank you for your presentation, Ms. Grier. Mr. Yakabuski, you have about two minutes.

Mr. John Yakabuski: Thank you very much, Ms. Grier, for joining us this afternoon. You were in this chair under a different role when you sat here for those seven weeks, as you said. I guess I have a couple of questions because there are some concerns about the scope and breadth of the minister's powers that are being bestowed on one person under this act, whomever the energy minister may be at the time. Some would say that it usurps the power of municipalities to make decisions respecting their own boundaries. Others would say that it eviscerates the Ontario Energy Board, which is essentially an agency that is there to protect consumers as well.

We see in this act 21 separate sections that give the minister the power to make the decisions. In your time in office, did you ever see a bill that granted this much power to the minister with regard to making the decisions, as opposed to a board that had been set up to protect consumers and the electricity system in the province of Ontario?

Ms. Ruth Grier: I'm not sure I can remember all of the various pieces of legislation in a way that I could answer that substantively, but the whole question of the way in which approvals are to be granted under this bill is of concern more generally, though I have focused on the Niagara Escarpment Commission.

I guess part of my experience has always been that while it may take a bit more time, if you do things in some consultative manner and involve people in it, you end up with a better decision in the long run, or as they say where I was born, "The longest way around is the shortest way home." That's an Irishism that doesn't always apply, but sometimes it does.

I think that, with respect particularly to the area I'm speaking to today, the Niagara Escarpment, when you look at their record, both of expeditious dealing with applications and not being a particularly bureaucratic or slow process, then it certainly deserves consideration, as in looking at how the act is administered. I'm sure you'll hear from many municipalities who share some of the concerns that you've outlined.

Mr. John Yakabuski: Would you agree then that this basically takes away that decision-making process from the Niagara Escarpment protection agencies and puts it in the hands of the minister?

Ms. Ruth Grier: Of course, the answer from the government is going to be, "Wait till you see the regulations." It is the fact that the power is there to do just that which I want to address and try to pre-empt that from being subject to regulation, but to be something that is in the bill, as you look at particularly sensitive areas, of which I would claim the Niagara Escarpment is the prime one.

Mr. John Yakabuski: Thank you very much for your presentation.

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

Mr. Peter Tabuns: Ruth, thanks for coming down and making a presentation. As you're aware, there are people who object to wind turbines in a variety of locations—for instance, those who don't think it would

be appropriate to have them off the shore of the Scarborough Bluffs. I actually think it would be a great location, if, in fact, there's enough wind there to support the wind turbines.

You're suggesting that we have to protect the Niagara Escarpment. What's the threshold line in your mind for saying, "This is an area that should be protected, and this is an area where, in fact, special protection isn't required"? Where would you draw that line?

Ms. Ruth Grier: If it was up to me, I would probably begin to look at crown lands and provincial parks and areas that have been particularly identified as being special. That's why in my remarks I focused on the biosphere reserve. We have nine biosphere reserves in Ontario. I'm not sure I can ream off where they are, but the Niagara Escarpment was the first and is the one that I think is most internationally renowned because it is so unique, and as it is becoming more and more urbanized up to the escarpment, it is evermore important that it be protected in as wide a way as possible.

Mr. Peter Tabuns: Thanks.

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

Ms. Laurel C. Broten: Thank you for coming, Ruth. As I understand it, in 2004, when the Niagara Escarpment Commission took a look at this and developed their renewable energy policy, where they landed was that personal use was allowed, in terms of wind power, but not commercial use. I wondered whether you viewed a distinction between personal, commercial—and what about co-operative and the community-based power initiatives that we see coming out of communities? Would you define those as being within the personal category? I'm trying to figure out how this would work. The second question is, are there any technologies other than wind—bio, gas or any other technologies—that would be acceptable within the biosphere?

Ms. Ruth Grier: I'm not sure that I can answer that in detail. The escarpment commission, in looking at their policy, while they certainly articulated their concern about commercial, I'm not sure they looked at ownership necessarily as being the criteria. They looked at the various areas of protection within the plan and felt that in the most protected area it would not be acceptable, but in some of the escarpment—rural—that it might be.

Their practice over the 30-plus years has been to look at each application on its merits. So there have been some cases where they have approved an application for a single wind turbine or a communications tower, others where they have not, and then there is an appeal process beyond that. I think they examined whether or not such an application would require an official plan amendment or could be done by way of a development permit.

I think there's room for some discussions with the commission. I merely wanted to flag that I think as a member of the public, as a Bruce Trailer and all those things, there are a great many people in this province who see the value of the Niagara Escarpment and would

like to make sure that it doesn't just get lumped in with everything else when you're looking at a Green Energy Act.

Ms. Laurel C. Broten: So when I look at the Green Energy Act, I think that it doesn't alter the plan and policies or the authority of the NEC, but simply adds in that renewable energy is a permissible use. In those past decisions, it's my understanding that the escarpment plan allowed consideration of landscape vistas and when some towers were not allowed, that was really the issue that was examined. Am I right?

Ms. Ruth Grier: Right, or they frequently work with the proponent to find a more acceptable location for it. It is the definition of "utility" that is changed by the act, and then the additional addendum and their transmission lines. Frankly, I don't know how anybody is going to determine whether a transmission line is particularly from a renewable energy project or—for example, Bruce nuclear wanted to build transmission lines across the escarpment in a couple of places at some point. Debate about whether this is a renewable energy because it has nuclear plus some green energy is going to be a very nasty one, and the whole concept of major transmission lines and major wind farms is going to require significant clearance of what is essentially a wooded environment. So I think that while there might be some room to consider some small wind projects, on balance it's an area that, on its merits, deserves some significant and unique protection.

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

ONTARIO WATERPOWER ASSOCIATION

The Chair (Mr. David Oraziotti): Our next presentation is the Ontario Waterpower Association, Paul Norris. Good afternoon, Mr. Norris. Just state your name for the purposes of Hansard. You have 10 minutes for your presentation, and you can begin when you like. There will be five minutes for questions from members of the committee.

Mr. Paul Norris: Thank you. They're just distributing the packages. You'll find a written copy of my deputiation on the right-hand side folder of the package if you want to read along. You'll also find a copy of our submission to the EBR posting behind that.

Good afternoon, Chair and committee members. My name is Paul Norris, and I am president of the Ontario Waterpower Association. We are a non-government organization representing the operators and developers of the province's primary source of renewable energy: water power.

I'm pleased to have the privilege today to provide input to your deliberations on Bill 150, the Green Energy and Green Economy Act. Our association has been actively involved in contributing to the modernization of the province's legislative, regulatory and policy framework to encourage sustainable renewable energy de-

velopment and responsible water resource management. While the proposed legislation holds great promise for advancing the government's energy, economic and environmental objectives, experience has shown that good intent must be accompanied by real and measurable change. This, I would argue, is most evident in the frustration common to proponents of water power projects in Ontario who, over the last decade, have attempted to invest in new renewable energy only to encounter impediments that have significantly restricted their ability to do so.

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As you may be aware, in 2002, our association embarked upon a class environmental assessment for water power projects, culminating in its approval by the Minister of the Environment in October 2008. The class EA has as its fundamental principle a "one project, one process" model that integrates all appropriate provincial and federal requirements associated with planning a water power project in Ontario. Importantly, it was developed with the active involvement and support of key provincial and federal agencies. Its preparation also considered the input and advice of aboriginal interests, non-government organizations and the public. Our advice here today, therefore, is informed by our significant investment in and leadership of an initiative consistent with the government's stated intent.

I have six specific recommended amendments to the bill to offer, and they're organized in the order in which they appear in the draft legislation. So if you have your draft in front of you, I'll refer you to the appropriate sections.

First, recognize and enhance Ontario's existing renewable energy production. The reference here is to schedule A under the preamble. Ontario's electricity system is characterized by its diversity. Multiple sources, including water power, satisfy our electricity demands. Until the early 1950s, almost all of these needs were met by water power. Today, Ontario's 194 water power facilities account for approximately one quarter of the province's installed capacity and electricity production.

Water power plays a unique role in the province's overall system mix. It provides baseload and peak-load generation. It has proven critical to system reliability and led Ontario's recovery from the blackout in 2003. It provides voltage support, black start and other ancillary services. Looking ahead, the province's reliance on the attributes of water power generation is expected to increase.

As perhaps best articulated by the Independent Electricity System Operator: "Ontario's future generation supply mix will place an increasing reliability value on the flexibility of generating assets to provide load-following capability, operating reserve and automatic generation control. Preserving operating flexibility of hydroelectric generating facilities, whether old or new, should be a critical consideration."

Our recommended amendment to the preamble, therefore, is as follows:

"The government of Ontario is committed to enhancing the contribution of existing renewable energy generating facilities and fostering the growth of renewable energy projects which use cleaner source of energy, and to removing barriers to and promoting opportunities for existing renewable energy generating facilities and new renewable energy projects and to promoting a green economy."

Second, empower the office of the renewable energy facilitator. The reference here is to schedule A, part II, paragraph 1 of subsection 10(2). While the establishment of the office of the renewable energy facilitator is welcomed, it's unclear to us how the office will hold to account the achievement of the province's renewable energy objectives as presumed in the act. Given the prospect that project-level decision-making will reside outside the legislative authority of the Ministry of Energy and Infrastructure, it is imperative that this office have the ultimate responsibility for monitoring and reporting on progress. It is therefore strongly recommended that such requirements be added to the objects of the office. By way of comparison, provisions similar to those under the Environmental Bill of Rights Act with respect to the functions and reporting requirements of the Environmental Commissioner could serve as a useful template in this regard.

Our recommended amendment to schedule A, part II, subsection 10(2) is as follows:

"To facilitate the expeditious development of renewable energy projects and to report annually to the minister on the achievement of the renewable energy objectives of the act, including the identification of impediments thereto."

Third, maintain Ontario's current prudent approach to environmental hearings, with reference to schedule G, part V.0.1, section 9. For many years in Ontario, environmental approval hearings have been recognized as an inefficient last resort. While it is true that in rare cases the time and expense of a hearing is necessary, reducing the frequency of hearings has been one of the principal thrusts of previous waves of government streamlining initiatives, particularly with respect to private sector energy development and environmental assessments. Currently, the much more costly and time consuming individual EA process is available only at the discretion of the Minister of the Environment, and that discretion has been exercised with caution.

Similarly, the current process for third party appeals of approvals issued under the Environmental Protection Act and the Ontario Water Resources Act provides a threshold process designed to screen out proposed appeals that do not merit the time and expense of a full hearing. In short, a party must first demonstrate the basic merits of its case through a leave-to-appeal application before it will be granted a hearing. Bill 150 appears to trump that leave process entirely by providing a new third party appeal as a right, and in so doing eliminates the obvious benefits of a screening level review of the merits of each proposed appeal. That, in our view,

ignores the hard-earned wisdom reflected in Ontario's current cautionary approach to environmental hearings.

Our recommended amendment to schedule G, part V.0.1, section 9 is as follows:

“An interested person who has directly participated in the planning of the project ... may, by written notice served upon the director ... request that the director consider referring the renewable energy approval to a hearing before the tribunal. The director, at his/her discretion, may grant such a request in relation to a renewable energy approval only where the director reasonably believes, based on evidence provided by the interested party, that the approval will cause serious and irreversible harm to plant life or animal life of provincial significance or human health or safety.”

Fourth, eliminate existing regulatory overlap and duplication. The reference is schedule H, the Ontario Water Resources Act. Water power projects have long suffered the duplicative requirements of water-related legislation, most notably through the Lakes and Rivers Improvement Act and the Ontario Water Resources Act. Specifically, the permit-to-take-water provisions of the OWRA have been widely recognized as redundant for water power. Given the 2001 amendments to the Lakes and Rivers Improvement Act that required the development and implementation of water management plans for water power facilities, water power projects are now doubly permitted for the same activity. The Green Energy Act provides the legislative opportunity to rectify this overlap.

Our recommended amendment to schedule H is the addition of the following:

“Section 34.1, subsection (3), of the Ontario Water Resources Act does not apply to the taking of water with infrastructure regulated pursuant to section 23.1 of the Lakes and Rivers Improvement Act.”

Fifth, incorporate all relevant provincial approvals into the renewable energy approval model. The reference here is to schedule L, clause 6.

While it is 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. This exclusion is particularly relevant to water power projects, which are, without exception, subject to the provisions of MNR's legislation.

Consistent with the one-window approach to enable renewable energy projects and provided that the recommended appeal provisions are amended, MNR's interests that are of direct relevance at the planning stage of a project should be integrated into the proposed renewable energy approval.

Our recommended amendments are as follows:

“13.2 The minister may require that that the proponent of a renewable energy project, as defined in section 1 of the Green Energy Act, 2009, provide to the minister the information ... that the minister considers necessary to

inform the decision of the director under subsection 47.5(1) of the Environmental Protection Act.”

Further: “13.2(1) The minister shall issue a permit or approval under an act for whose administration the minister is responsible ... within 180 days of the issuance of a renewable energy approval under the Environmental Protection Act.”

Finally, expand resource access for aboriginal community benefit. The reference here is to schedule L, clause 20.

New water power development in Ontario is integrally related to the participation of aboriginal communities. In this regard, the Ontario Waterpower Association, in collaboration with provincial agencies and aboriginal organizations, has made substantive investment in building the capacity of interested communities. It is of significant concern, therefore, that the provisions of the proposed legislation with respect to access to water power resources do not advance the opportunity for recognized yet constrained potential.

There are significant water power opportunities in northern Ontario. Much of it is constrained within provincial parks, which are regulated under the Provincial Parks and Conservation Reserves Act or are subject to other policy constraints, such as those related to the northern rivers and the Moose River basin.

Given that the stated intention of the bill is to remove barriers, consideration should be given to incorporating mechanisms within the bill that allow the release of this constrained potential. Specifically, the bill's proposed minor amendment to the Provincial Parks and Conservation Reserves Act fails to enable aboriginal community participation in commercial renewable energy opportunities, despite the clear positioning of renewable energy as a key to aboriginal economic prosperity. A relatively minor amendment to the bill would rectify this issue.

Our recommended amendment is as follows:

“19(2) Despite section 16 and subject to the approval of the minister, facilities for the generation of renewable energy may be developed in provincial parks and conservation reserves for the benefit of aboriginal communities.”

This concludes our recommendations. Thank you. I'd be pleased to consider questions.

The Chair (Mr. David Orazietti): Thank you very much, Mr. Norris. We have about a minute and a half for each caucus. Mr. Tabuns.

Mr. Peter Tabuns: Thanks for the presentation today. What's the total capacity of the constrained generation out there? Have you done an analysis?

Mr. Paul Norris: Yes. The integrated power system plan that was tabled in the fall identified about 1,000 megawatts of water power potential that was currently constrained in parks and protected areas. The power system plan included about 2,000 megawatts in the Moose River basin and the northern rivers.

Mr. Peter Tabuns: Thank you.

The Chair (Mr. David Orazietti): Mrs. Mitchell.

Mrs. Carol Mitchell: Thank you very much for the presentation. Your first recommendation and the ability to deal with load: Give me a sense of how water generation would deal with that. I know you can hold some of it off, but just give me a sense of how much more potential there is out there for dealing with that issue—because I agree.

1520

Mr. Paul Norris: Again, the IPSP identifies about 3,000 megawatts out of 6,000 megawatts that it identified as potential. We would advocate for about 5,000 megawatts, if you dealt with the constraint that Mr. Tabuns identified. But if you follow the load profile on any given day in the province of Ontario and the profile of hydro production, it's identical. Hydro is your flex fuel.

The Chair (Mr. David Oraziotti): Mr. Yakabuski.

Mr. John Yakabuski: I had a similar question. In my riding, there are about 1,200 megawatts of water power that either goes through it or borders it, and yes, it has quite a load-following capacity, which of course wind does not. There seems to be much more focus in this Green Energy Act by the government on wind as a renewable source of power, yet we have no ability to dispatch that.

I also want to ask you, apropos of Peter's question, if the constrained generation in northern Ontario—what would be required, in your opinion, with respect to new transmission, in order to unconstrain that generation?

Mr. Paul Norris: One of the real progressive steps forward we've seen in the Green Energy Act is the concept of enabling transmission. It wasn't the integrated power system plan to facilitate renewable energy generation. So if you go back even to the filed IPSP, it does identify transmission corridors that would be required to liberate generation. That is where it is, for all intents and purposes. It is a bit of a chicken-and-egg scenario, but I think we're seeing some strong inroads toward solving that long-standing issue.

Mr. John Yakabuski: Where do you see the price and the FIT, the feed-in tariff, with respect to water power?

Mr. Paul Norris: We're actively involved in the conversations right now with the Ontario Power Authority. They're having a series of consultations over the next four or five weeks, and you can be sure we'll be bringing forward the attributes of water power in those discussions.

Mr. John Yakabuski: And can you do it for small water power—less than half a megawatt?

Mr. Paul Norris: Yes. When I said Ontario has 194 generating facilities now, about 50% of those facilities are under 10 megawatts.

Mr. John Yakabuski: What about the ones under half a megawatt?

Mr. Paul Norris: I would say there are probably still 30 or 40.

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

CONSERVATION COUNCIL OF ONTARIO

The Chair (Mr. David Oraziotti): The next presentation is the Conservation Council of Ontario, and Chris Winter. Good afternoon, Mr. Winter. Just state your name for the purposes of our Hansard. You have 10 minutes for your presentation, and there'll be five minutes for questions from committee members. Go ahead when you're ready.

Mr. Chris Winter: My name is Chris Winter. I'm the executive director for the Conservation Council of Ontario. I thank you for the opportunity to address this committee.

The Conservation Council of Ontario is a 58-year-old association of provincial organizations, businesses, municipalities and individuals working to promote conservation in Ontario.

Our vision is Ontario as a conserver society. Our principal strategy is to build a united conservation movement across the province. Together, we conserve.

Although we define conservation as the art of living lightly on this earth, and we have 10 top priorities including using green power, for this presentation I want to focus exclusively on electricity conservation.

The provincial average for electricity consumption is about 1,000 kilowatt hours a month. In our house, we use less than 350.

On a peak summer day, electricity consumption rises about 25% above the typical load. That's an increase of over 5,000 kilowatts because we want to keep our homes and our buildings at temperatures below 25 degrees.

Ontario's goal for electricity conservation is a mere 6,300 kilowatts of peak power by 2025—a fine target if you're thinking of delivering discrete conservation programs, but wholly inadequate if your goal is a culture of conservation.

At the Conservation Council of Ontario, we believe that if we really applied ourselves to the task, we could achieve the first goal by 2015 through discrete programs, and reduce our peak load to 20,000 kilowatts by 2025 through deep-rooted cultural transformation. In the same way, we believe Ontario could achieve 20,000 kilowatts of renewable power by 2025—essentially, a renewable grid.

These are what we call stretch targets. They represent a departure from business as usual and a departure from complacency, but if we are able to achieve them, we will give our children energy security, economic resiliency and local green power—noble goals.

Now, I won't hold anyone to meeting these targets, but I do expect that we all make our best effort to make conservation the first priority in our energy future. Conservation is everyone's first option, so let's get on with it. Over the past five years, Ontario has made some excellent steps forward on conservation by establishing the Conservation Bureau, strengthening the building code, empowering local distribution companies and introducing differential pricing based on consumption.

Over the next five years, we need to introduce a more comprehensive transition strategy to a conserver society, including a combination of legislated standards, pricing, incentives, voluntary leadership and community engagement. Do this and up to 25% reduction in electricity consumption can be met at a cost far below the investment cost in new nuclear plants.

The Green Energy Act, much like the Energy Conservation Leadership Act that it will replace, is intended to give a much-needed boost to conservation. It's here that I have to admit I've had some difficulty in trying to fit the Green Energy Act into my understanding of a voluntary transition strategy. I've had to go back to first principles to come up with some recommendations.

Legislation typically seeks to set boundaries and penalties on undesirable behaviour. It also prescribes fiscal instruments and planning processes that we hope will lead to better decisions and behaviour. With respect to renewable power, the Green Energy Act lays out the fiscal instruments and removes many of the barriers to accessing the grid. With respect to conservation, the Green Energy Act lays out a number of prescribed activities, including energy labelling for homes, designating conservation goods and services and municipal and other conservation plans. It also empowers the province to issue future directives to agencies and municipalities to promote conservation.

But the pricing for conservation is still unclear. There are two elements to conservation pricing: penalties for over-consumption and financing for conservation incentives and programming. Ideally, the first, penalties, pays for the second, and a conservation fund would naturally sunset once the conservation targets have been met. Currently, residential customers who use in excess of 1,000 kilowatt hours per month pay a premium of 0.9 cents per kilowatt hour. The surcharge, however, is not used to fund conservation, but instead is used to lower the overall rate. With smart metering and time-of-use pricing, there is no clarity as to whether or not the overall consumption surcharge will be retained. It should be retained and integrated into a funding mechanism for a provincial conservation fund.

In schedule B, subsection 5(2), amendments to the Electricity Act now allow the minister to direct the OPA to undertake an initiative related to conservation or the reduction in electrical demand. The minister may also specify the pricing or other economic factors to be used or achieved by the OPA. As I understand it, this may be the instrument whereby the minister can instruct the OPA to establish a rate-based conservation fund.

I can't give you the level of detail required to set up a rate-based conservation fund in this process, but I know it's where we need to go. We need a conservation surcharge based on over-consumption with a regular reduction in the threshold from 1,000 kilowatt hours a month down to 500 kilowatt hours a month.

I'd also note that a conservation surcharge is consistent with the recommendations of the Macdonald report, some 13 years ago, to redirect the stranded debt

charge into conservation and other programs once all the cost overruns of the old nuclear plants are paid down. Of course, we're still paying them down.

In addition to providing the direct revenue for conservation programs, rebates and incentives, a conservation fund would finally allow Ontario to make a significant investment in the culture of conservation. Here I want to make a comparison: Ontario invests \$40 million per year into arts and theatre through the Ontario Arts Council. Last year, the OAC supported 1,300 individual artists and 874 organizations in 252 communities across Ontario. The culture of conservation needs a similar investment. Our preliminary work shows that a similar \$40-million-per-year investment would fund 100 centres of excellence, establish community conservation networks in 200 municipalities, which would support and help the municipal conservation plans, and provide summer employment and ecopreneurial opportunities for students. All told, it would create up to 2,800 full-time, part-time and summer jobs at a cost of only 0.05¢ a kilowatt hour.

1530

In the end, I'm left with the same promises I had three years ago when the Energy Conservation Leadership Act was introduced. The tools are there, and we're still awaiting the serious dialogue around moving beyond simple programs to investing in the transition to a culture of conservation.

In the end, I'm here today to support the specific actions and enabling measures, as I see them, in the Green Energy Act. This is an excellent step in the right direction.

The angel is in the details. So let's get a move on.

Thank you.

The Chair (Mr. David Orazietti): Thank you very much for your presentation. Mrs. Mitchell.

Mrs. Carol Mitchell: Thank you very much for your presentation. Earlier we had a presentation by an organization called Better Place. They talked about the electric car. If we use pricing structure as a conservation tool, how do you see the electric cars being a part of that if they exceed certain—residential use versus the offset of the climate change?

Mr. Chris Winter: It's one of those huge transformations, where you need both the investment and the infrastructure, and you need the cultural shift as well. You need people to say, "I want and I am going to use those electric cars." It requires a bit of a transition in the way that we see our commuting habits—like the early cellphone. I think they made the analogy in Better Place that you couldn't have the cellphone if you didn't have the grid or the network in place to send a signal. So you need to invest in the infrastructure of the refuelling stations before you have the cars sold and people will use them.

Mrs. Carol Mitchell: I think I'm going to be a little more specific.

Mr. Chris Winter: Please.

Mrs. Carol Mitchell: So it's 1,000 kilowatts, and residential use versus moving towards—

Mr. Chris Winter: Gotcha.

Mrs. Carol Mitchell: So that was the discussion. If you consider that pricing structure, how do you see the electric cars being a part of that?

Mr. Chris Winter: I think you'd have to look at it as a shifting. I would see the 1,000 kilowatts as a surcharge as being the baseline and the starting point of the discussion. That would be one of the areas where you might want to look at some flexibility. The other is low income and people who only use electricity for heat. You need to have measures within that to accommodate the fluctuations in different situations. So I would say, as a starting point, you say 1,000 kilowatt hours a month. You're going to ratchet it down over time as we're promoting efficiency, and where you have programs that you want to promote, like electric cars and use of the grid to get cars off oil and on to electricity, then you make adjustments in the program.

The Chair (Mr. David Oraziotti): Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much, Mr. Winter, for joining us today. Interesting stuff. I'm intrigued and amazed by your electricity usage numbers. I don't want to be seen as too personal, but I do have to ask you a couple of questions, because we have to compare you to the average—the makeup of your household, the number of adults and children?

Mr. Chris Winter: Two adults, one child and occasional students.

Mr. John Yakabuski: Amazing. And do you live in a free-standing home?

Mr. Chris Winter: Semi-detached.

Mr. John Yakabuski: Semi-detached. Wow.

Mr. Chris Winter: No air conditioning, energy-efficient appliances, air-drying laundry. And like yourself—I remember the comments you made when the act was introduced and you started with your energy conservation efforts.

Mr. John Yakabuski: You're in a different world. But my wife hangs clothes in 40-below weather. We don't use the dryer unless it's absolutely essential.

What's the size of your home?

Mr. Chris Winter: I couldn't tell the square footage. It's a modest semi-detached.

Mr. John Yakabuski: And how old is it?

Mr. Chris Winter: It's 1937.

Mr. John Yakabuski: Okay, so it's not modern. Well, I guess we'd have to see how that works with the average. But 350 kilowatt hours a month—we're not even getting anywhere near that. When I talked about reducing our energy usage, it was pretty easy for us because we were probably in the category of being energy wasters. So the first part of it is pretty easy, but I am intrigued about that.

I just want your opinion on a couple of things when you talk about conservation. First of all, the smart meter legislation is only going to be time-of-use meters, basically. It might change the time of day that you use

energy, but it's not likely to change necessarily on its own the amount of energy you use. You already touched upon those who heat their homes with electricity, which you'd have to have some allowances for. But also, how do you feel—there's a controversy. Some people don't like the idea; I know the NDP has spoken against it—about the issue of sub-meters in rental buildings, making every tenant responsible directly for their power use? How do you feel about that, Mr. Winter?

Mr. Chris Winter: First of all, on the time-of-use metering versus total, one of the things I want to make sure is maintained is the surcharge on total consumption so that we don't lose it when we move to time-of-use; we maintain both aspects. Time-of-use metering is good for conservation in that it is giving people information. The more information they get and the more they see the meter spinning around, the more they're going to say, "Hmm, maybe I should conserve." So, in general, it does support and promote conservation. The pricing is going to be a key instrument as well.

Mr. John Yakabuski: Thank you very much for your presentation, sir.

The Chair (Mr. David Oraziotti): Mr. Tabuns may have some questions for you.

Mr. Peter Tabuns: Thanks for the presentation. The calculation in here: You have a goal of reducing our peak load to 20,000. Do you mean megawatts?

Mr. Chris Winter: Megawatts, sorry. Yes.

Mr. Peter Tabuns: What sort of scale of investment in conservation are you thinking of to make that goal?

Mr. Chris Winter: The investment in conservation that we've had so far has been programmatic through LDCs in the OPA—program delivered, results gained based on a \$1,000-per-kilowatt reduction. There's another element that we need to bring in, which is that cultural notion. In the same way that we have a social service sector that is at the front lines of helping people in communities, we need to have that same investment in conservation, which requires that we're investing in groups as centres of excellence, whether it's a centre of excellence like a green community in a neighbourhood, with staffing and the ability to help people, or it's a centre of excellence in a particular skill, like WindShare—or Our Power is doing solar panels and helping communities make that transition. So there are the skills and there are the community-based resources. We haven't done that, but we don't need to power up and create a whole new social sector, because what we're also finding is that the social sector, the voluntary sector as a whole, is gung-ho on going green. You find churches, faith groups, cultural associations, residents' associations—they're all part of the green movement. It's a matter of very subtly finding ways of supporting and aiding that transition. That's what I'm talking about when I'm saying we need to create a united movement, and it goes well beyond the delivery of simple programs from LDCs or the OPA.

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

ST. MARYS CEMENT

The Chair (Mr. David Oraziotti): The next presentation is St. Marys Cement. Gentlemen, good afternoon. Please state your name for the purposes of recording Hansard. You have 10 minutes for your presentation and there will be five minutes for questions from committee members. You can begin when you're ready.

Mr. Martin Vroegh: Thank you very much, Chairman and committee members, for providing St. Marys Cement the opportunity today to speak on matters referring to Bill 150, the Green Energy and Green Economy Act. As introduced, I'm Martin Vroegh, corporate environment manager at St. Marys Cement. St. Marys Cement is the largest manufacturer of cement in the province of Ontario, producing over 2.7 million tonnes of cement per year at our Bowmanville and St. Marys, Ontario, facilities.

Our company plays an important role in maintaining a vibrant and competitive economy in the province of Ontario. We generate over \$500 million of economic activity in the province and provide over 1,200 well-paying jobs. We make important contributions to provincial and municipal tax rolls, as well as additional contributions to the communities in which we operate. Our most important contribution, however, is providing the province of Ontario with a secure, strategic supply of cement to support the renewal and greening of the province's vital infrastructure.

I know your time is valuable and I hope that you will have questions following my presentation. As such, my comments will be brief and will cover three areas: general comments on the act, an overview of the cement sector and the important contributions it can make to achieving the Legislature's objectives under this act, and conclusions relating to the need for changes to the act to facilitate those contributions from the cement sector.

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Let me start by congratulating the government of Ontario on the introduction of Bill 150. This is an important and overdue piece of legislation which will provide the framework for promoting the development of renewable electricity projects, encouraging more efficient energy use, and for assisting Ontario in the transition to a low-carbon electricity future, one which is not dependent on imported fossil fuels.

Such objectives have been articulated before in Ontario and other provinces. What makes this act different and so significant is the attention the government of Ontario is dedicating to identifying and eliminating the long-standing barriers to renewable energy projects, namely:

- the proposals to fast-track the project review and approval process;

- addressing not-in-my-backyard syndromes that have become so prevalent in the province;

- establishing a one-stop shop for certificates of approval and renewable energy projects;

- rationalizing the appeal process under the Environmental Review Tribunal; and

- creating a renewable energy facilitation office to break down government barriers, at all levels, to project implementations.

These proposed actions are important. Without such meaningful actions, the government's ambitious green goals will amount to no more than empty rhetoric.

We also offer strong support for the commitment to create a building code energy advisory council, and place an explicit focus in the building code on energy conservation through mandatory standards. Buildings constructed from concrete offer substantial energy efficiency benefits over alternatives, and we have no doubt that this measure alone will make an important contribution to sustaining a healthy cement manufacturing sector in Ontario.

To the degree that we have concerns with the proposed act, we would appreciate that the committee pay attention to the potential impacts this act will have on electricity prices in Ontario. As major industrial electricity consumers, we wish to point out that there is a need for this act to include appropriate mechanisms to ensure that Ontario's manufacturing sector will have access to reliable and competitively priced electricity to sustain our operations.

Let me talk about St. Marys Cement and how we, too, could make important contributions to achieving the objectives of this proposed act. First, it is important for the committee to understand that cement manufacturing is an energy-intensive activity. Significant quantities of heat are needed to sustain temperatures in excess of 1,400 degrees Celsius to melt limestone and turn it into a cement product.

Cement manufacturing in Ontario is also highly carbon-intensive. Currently, the industry relies on petroleum coke and imported coal to meet over 95% of its primary energy needs, but it doesn't have to be that way. With their high temperatures and prolonged combustion chambers, cement kilns are ideally situated to process a wide variety of alternative and renewable energy sources.

For example, in western Europe, nearly half of the cement manufacturing sector's energy needs are met with fuels other than coal, coke or other primary fossil fuels. In some instances, cement plants in Europe and elsewhere meet over 80% of their energy needs with alternatives to primary fossil fuels. Such fuels include animal meat and bone meal; wood waste and agricultural residues; non-recyclable papers; municipal biosolids; even sorted and processed municipal solid waste, which can contain over 40% biogenic components.

These alternative fuel sources are widely used in Europe, across the United States and even in the provinces of Quebec and British Columbia. Their use by the cement sector is done in a manner which respects

human health and the environment, and without causing increases in key pollutants, such as NO_x, SO₂, persistent organic pollutants, mercury or other volatile metals. In addition to reducing the environmental footprint of cement manufacturing operations, the use of such materials can assist in managing municipal waste and industrial by-products, and in some cases, even improve the competitive position of the cement manufacturing sector.

Despite the potential benefits, none of these alternative energy sources are utilized within the cement manufacturing sector in the province of Ontario. In short, there are three reasons such alternative and renewable energy sources are not employed within this sector. First, many such materials are simply not available to the cement sector. Despite our supposed societal emphasis on the environment and waste management, it is astounding how poorly wastes are actually managed in the province and the rest of Canada. In short, landfill remains relatively cheap and widely available. In Europe, there is simply no possibility for specified risk materials, municipal biosolids, wood waste or other organic materials with high calorific value—considered resources—to find their way into landfills, period.

Second, even if such materials were available to the Ontario cement sector, there are significant obstacles that must be overcome—everything from NIMBYism; lengthy, costly and uncertain assessment approval and appeal processes; a need to navigate a myriad of regulatory hurdles within disparate branches of the Ministry of the Environment and across provincial departments; as well as municipal and federal orders of government. All these work against companies like St. Marys Cement risking the necessary capital investment to source, contract and process such energy sources.

I'm sure much of this sounds familiar to the committee members. They are the very same issues that have paralyzed the renewable electricity sector and which the government of Ontario is seeking to address on behalf of that sector through this important act.

At this point, I'd like to illustrate my point through a short example. In the GTA, the province has offered financial and logistical support to a company that produces fuel pellets out of sorted and processed municipal solid wastes. While not fully renewable, the biogenic component of these fuel pellets is significant and would make an important contribution in reducing greenhouse gas and other emission from the coal-dependent cement sector.

While we've been in discussions with the fuel pellet manufacturer, the barriers to utilizing the pellets in either of our Ontario cement manufacturing facilities are insurmountable, given the present policies and processes. We are currently discussing ways of using the fuel pellets at our operations in Michigan instead. In short, Ontario's energy policies with respect to the cement sector force us to continue our reliance on imported, carbon-intensive coal while the province's valuable resources are exported to the detriment of the environment and competitive position of Ontario industry.

Economics: So far I've talked about obstacles to the utilization of mixed composition energy sources and fully renewable sources such as biosolids and animal bone meal, which are by-products of industrial municipal operations. While many of the same policy and process issues would arise, the main barrier to their utilization in cement is the same barrier faced by the electricity sector, which is addressed by this act; namely, the economic barrier. For example, a tonne of wood contains about half as much energy as a tonne of coal. At the same time, a tonne of wood currently costs twice as much. In other words, our energy bill, which is already 40% of our marginal operating costs, would quadruple if we attempted to combust wood. In an open, competitive marketplace for cement, this economic hurdle is insurmountable without some form of intervention from governments.

And that is our point. When it comes to support for combusting renewable biomass for electricity generation, governments are stepping in with significant direct and indirect incentives. In support of the objectives of this act, Ontario recently proposed price guarantees or so-called feed-in tariffs for producers of renewable electricity from wind, solar, landfill wastes and biomass, yet the province offers nothing to support the utilization of biomass as renewable thermal heat energy to drive the province's energy-intensive manufacturing sectors such as green infrastructure building cement. It is worth noting that an average windmill uses about 300 cubic metres of concrete to construct.

In conclusion, Mr. Chairman and committee members, I hope that I've left you with an understanding of the potential contribution that energy substitution at St. Marys Cement can make to these objectives. In short, for every tonne of imported carbon-intensive coal we can replace with an equivalent amount of low-carbon alternative and renewable energy sources, we will avoid approximately 2.5 tonnes of CO₂ emissions from our cement manufacturing operations. Realizing this opportunity, however, will require the Legislature to dedicate the same attention to the promotion of green thermal energy as is dedicated to the promotion of green electrical energy under this important act which we are discussing here today. The barriers and solutions to facilitate green transition and cement energy are the same as discussed in this act to facilitate green electricity in the province.

Committee members, as you continue your work on this important piece of legislation, I ask you to reflect on what I've said today and look for opportunities to extend the scope of this bill and proposed measures to ensure a level playing field is provided for green heat energy. Such measures will reduce the environmental footprint of our operations, reduce our reliance on imported coal, strengthen the competitive position of our operations, address waste management issues in the province and support the emergence of new economic activities associated with the growth and production of dedicated renewable energy, forest and agricultural crops.

Thank you again for the opportunity to tell our St. Marys Cement story. I welcome any questions that you may have.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. Mr. O'Toole?

Mr. John O'Toole: Thank you very much, Martin; a pleasure. As well, I would say, Mr. Kennedy, we met just recently on this and we appreciate the information here today.

Just to have you repeat, you're really looking for the opportunity—I know there's a pilot activity at the location in my riding; it's posted on the Environmental Bill of Rights. What's the feedback so far? It's my impression you've had a couple of public information sessions.

Mr. Martin Vroegh: Yes, we've held a total of five public information sessions; two at our Bowmanville area and three at our St. Marys, Ontario, area.

Mr. John O'Toole: And the reception generally from the public—you're explaining the BTUs and all the other technical stuff to them. Are they very receptive or do they see the options?

Mr. Martin Vroegh: Generally, they're very receptive. Certainly, the people who are showing up for the information sessions tend to be concerned; they have questions. We've addressed all of those concerns. They primarily tend to do with things like what our emissions are going to be if we burn things that, for example, may contain chlorinated plastic, or plastic that may contain chlorines, when dealing with things like wastes.

1550

The main thing that we make a point of stressing is that in a cement kiln, 95% of what's going into the cement kiln is not fuel, as opposed to any other form of energy from waste. So a very small portion of what's actually going in is creating emissions.

Mr. John O'Toole: I'd like to make the point about the importance of cement to our industry and infrastructure. It's very important. Thank you for the work you do.

The Chair (Mr. David Oraziotti): Thank you, Mr. O'Toole. That's all the time we have for questions. Mr. Tabuns?

Mr. Peter Tabuns: Thank you very much for the presentation. Is the cement industry looking at the generation of electricity from waste heat from your operations?

Mr. Martin Vroegh: We do look at that. However, the cement industry, being the type of industry that we are, has utilized the majority of heat that we have, and we're left with very low-grade, low-temperature heat—large volumes of low-grade heat, but typically in the 200-degrees-Celsius area. So it's not really adequate to turn into steam and spin a turbine for electricity. We recover the majority of all of our waste heat and use that for preheating our cement before it goes into the kiln.

Mr. Peter Tabuns: Thanks.

The Chair (Mr. David Oraziotti): Mr. Mauro?

Mr. Bill Mauro: Gentlemen, nice to see you again. Thank you very much for coming this afternoon and for your presentation.

As you mentioned, the production of cement is quite energy-intensive. What percentage of your total input costs would you say are associated with generation of energy?

Mr. Martin Vroegh: Our energy bills run between 40% and 45% of our total costs.

Mr. Bill Mauro: Total input costs. You were implying in your comment—well, actually, you weren't implying; you were stating pretty explicitly that there are restrictions on some of the alternative fuels that you would like to use, that I'm assuming would be cheaper energy sources for you, and that there are restrictions on some of those alternative fuels that you would like to use.

I'm looking at your chart on page 7 in the handout that was given to us. It shows 97% of the energy in your industry is produced with fossil fuels, but you do show that about 3% is from alternative—waste—energy sources. What I gathered from your comments was that there are restrictions in place, so this must be referring to some waste energy sources that are not restricted. I'm just wondering what those are, as opposed to the ones you were talking about that are restricted. And is there an opportunity for you to get engaged with more of the ones that are clearly allowed here, according to your chart?

Mr. Martin Vroegh: The 2.8% you see on that chart is really grandfathered in from a long time ago, from one of our competitors. I'm not really up to speaking for what our competitors are doing, but they have been doing it for a significant period of time.

Mr. Bill Mauro: I guess my point is, it's not about whether it's you or a competitor, but it's showing that waste energy is allowed, though, and currently is being used in your industry. But much of your presentation was focused on the restrictions, and that's fine; maybe there's something we can do to help in that regard. But it is waste energy. So you're not sure what it is that they're doing that's generating—

Mr. Martin Vroegh: Well—

Mr. Bill Mauro: My bigger point, obviously, is that maybe it isn't as restricted as you believe it is.

Mr. Martin Vroegh: In slide 3, if you look there, you can see the red slice in that pie graph is miscellaneous waste fuels. I believe they're using a form of waste solvents that are from another industrial by-product, but I can't speak for what they're doing.

Interjection: Oily water.

Mr. Martin Vroegh: Oily water is another thing.

Mr. Bill Mauro: Okay, thank you.

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

Mr. Martin Vroegh: Thank you very much.

VCi GREEN FUNDS

The Chair (Mr. David Oraziotti): The next presentation is VCi Green Funds. Good afternoon. You

have 10 minutes for your presentation and five minutes for questions from committee members. Please state your name for the purposes of Hansard. You can begin when you're ready.

Dr. Tom Rand: My name is Tom Rand. First of all, I do thank you for the opportunity to speak today through the open public process. I'm very happy to be part of it.

As I said, my name is Tom Rand. I wear several hats in the renewable energy/clean tech sector. Primarily I'm director of a private equity fund that provides angel and venture capital for companies that develop promising technologies that reduce carbon emissions—so both renewable energy as well as energy efficiency.

I've written a book on the subject, *Ten Technologies to Save the World: Kicking the Fossil Fuel Habit*. I'm also team leader of the green bonds policy project, which is something I've been working on at the federal level for about a year and a half. It's also applicable at the provincial level, so I'll be speaking to that as well.

First, though, I have some very general agreements with the bill as I've seen it. First of all, I think feed-in tariffs are a very effective way of generating private sector involvement for renewable energy production that is aimed at the grid. That's a caveat that I'd like to address, but I'm generally very supportive of feed-in tariffs. Secondly, I'm glad to see grid-access language in the bill. I'm very curious to see the final form, because grid access is very important for two reasons: not just because it opens up geographical areas to renewable production, which I think is key, but even more importantly to me, if Ontario is to emerge as a leader in the green economy and be competitive around the world, it is going to be in developing technology for a smart grid. Nortel is in this province, so is Ontario Hydro, and I think we're clearly poised to take a lead there. Grid access will force the first stage of an evolution towards a smart grid. I think that's a very important first step because, in making our own grid smart, we'll develop technologies—we are positioned uniquely to play a leading role, more than any other niche within the green economy. I think it's very important. I couldn't overstate grid access and my support of that.

I do, however, have two key recommendations for which I have substantive analysis and backup which I can provide the committee upon request. At the risk of watering either one down, I will make two. The first is a way of supporting large-scale geo-exchange installations, geo-exchange being the heating and cooling of a building using the energy in the ground beneath that building. It is a renewable energy source, but it does not fall under the feed-in tariff. It reduces demand on the grid as opposed to supplying green electrons on the grid. I would recommend, from a bird's-eye view, that the Ontario government encourage private financing of large-scale geothermal installations by providing low-cost debt capital to match private funds—prime the pump, so to speak. I'll provide a rationale for that in a moment.

The second recommendation is that Ontario should issue an Ontario green bond, which is a way of engaging the public directly and which I could not overstate the

importance of. I will get to that in a second as well, but it generates low-cost debt capital and it can deploy low-cost debt capital while engaging the Ontario public directly in the transformation of our economy. I think it's very important to engage them directly.

My rationale behind my recommendation on geo-exchange is the following: I don't think I need to justify my assertion that geo-exchange is an extremely low-hanging fruit on the renewable energy tree. Any number of institutions have provided some analysis.

Anecdotally, I have a building that I'm involved with down on College Street, and we're transforming it from an abandoned building into the greenest hotel in North America. By "greenest hotel," I'm aiming for an 80% reduction in carbon emissions from business as usual, and to hit that target, geo-exchange is three quarters. Without geo-exchange, that building would be greenwashed, not green, in my view. So I cannot overstate the importance of the role that geo-exchange can play in reducing our carbon output. It is absolutely enormous.

It does not fit the feed-in tariff model, as I've mentioned. It produces energy, but it produces it locally within the building. It doesn't put it on the grid, so it doesn't fit that format.

Highly motivated developers like myself who are keen to reduce their carbon footprint are the early adopters of geo-exchange, but most developers are not installing geo-exchange; they are not motivated to. In a big condo building, that geo-exchange has a cost differential of \$10 million to \$15 million on a really big building, and they're not motivated to do it. So I think a solution to that problem is private sector financing of geo-exchange. It's a utility model. If it's a \$10-million cost, someone finances that; it's a no-brainer for the developer. Up it goes with geo-exchange. That's what I think it takes to make geo-exchange the norm and not the exception.

The problem, of course, is that private capital is reticent, to say the least, these days. It was reticent on geo-exchange on this model even prior to the credit crisis because it hasn't really been done before. Pension funds are the place where you would look to get this kind of money—long-term, stable returns. It can certainly be done and it has been shown that it can be done. But private capital needs to be pushed, so the government coming up with matching, low-cost debt capital to encourage the private sector to get into this space would accelerate that transition.

Commercial retrofits is just a really clear hole that's there. There are no subsidies for a building like mine. I think it was just an oversight because there are subsidies for almost every other form of geo-exchange. The commercial retrofit sector should be addressed.

My second recommendation, which is on a slightly different but related topic, is the Ontario green bond. Briefly, like an Ontario savings bond, it is backed by the government and sold to the public, but the important part of this recommendation is that this act is a great way of engaging people like me who are venture capitalists and a

great way of engaging energy producers, people who are developing the grid—insiders, essentially. We're very excited about this bill, but it doesn't really engage the general public, and I think a great way of doing that is to offer them a green bond, a way of directly participating and investing in the transformation of our economy to a green economy.

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We have done a poll nationwide on the green bond idea, and 82% of Canadians love it. Ontario had a similar figure. It was a nationwide poll. Sixty-one per cent say they'd buy it. The cost to government is minimal, and we've got a recommended way in which the funds are handled. I won't get into too many details, but essentially the funds are made available as low-cost debt capital to things like large-scale geothermal installations. The cost to government is very little. Defaulted loans are really the only risk that's out there. Private fund matching, feed-in tariffs: These all reduce that risk. We've churned the numbers, and the cost per tonne to the government of reducing carbon in this way compared to other direct subsidies is far, far cheaper. It's between \$1 and \$13 a tonne. The \$1 range is where the loan default rate is quite small, so I think that would be the cost to the Ontario government under the FIT program.

The end result is to accelerate deployment of renewable technology, but more importantly, to engage the public. The public is looking for a way to engage in this process, and it gives the government a really great announcement that everybody will be interested in when the green act comes out and not just energy geeks like myself.

That's it, so I'm open to questions.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. Mr. Tabuns, you have about two minutes.

Mr. Peter Tabuns: Tom, thanks for coming down and thanks for making that presentation. Do you have a sense of the scale—I use geothermal, but geo-exchange is the same—of the amount of energy that could be displaced by geothermal in Toronto or Ontario?

Dr. Tom Rand: Yes. It depends on how you slice the market. If you include retrofits, it's absolutely enormous, but the bird's-eye view is that geothermal/geo-exchange will reduce, for example, my building's energy consumption by probably around 60% or 65% in total. That's about 75% of the heating-cooling load on the building, and energy use is something like 30% of our total energy use. You can multiply those numbers and you can get around a 20% total reduction with geo-exchange by itself.

Mr. Peter Tabuns: Very substantial.

Dr. Tom Rand: Yes.

Mr. Peter Tabuns: Thank you.

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

Ms. Laurel C. Broten: On the geo-exchange model for homeowners, are you aware of the PowerHouse program, and are we seeing results? That was a two-year

pilot from Hydro One and Enersource Hydro Mississauga. Are you seeing results to demonstrate that zero-interest loans, low-cost loans, were moving that initiative forward?

Dr. Tom Rand: Yes, I think that project was a huge success from Ontario Hydro's point of view. It was a pilot project, so it wasn't very large.

I was actually going to write the PowerHouse project on this sheet. I didn't want to water down my message too much because I didn't want to focus on residential, but it was enormously successful. Rolling that out into commercial retrofits, I think, would be a great idea.

Ms. Laurel C. Broten: Are there any models that we can look to around the world that have moved aggressively on geo-exchange incentive programs?

Dr. Tom Rand: The best model I could point to is Sweden. As I understand it, 90% of their new buildings are geo-exchange.

In Canada, the best jurisdiction is Manitoba, which, if I remember correctly, is something like six times the per capita rate of installs that we have, and that was accomplished through two things. One was similar to the PowerHouse agreement from the utility side. They're motivated to sell green electrons to the United States so they're motivated to push that program. Government support was in the form of education. The government got behind the technology. So it wasn't the industry shilling for itself; it was a non-interested third party supporting those kinds of claims and saying, "Geo-exchange is a great way to go." So those are two examples.

Ms. Laurel C. Broten: And the Manitoba model is commercial properties?

Dr. Tom Rand: I believe that was residential mainly. I don't know off the top of my head.

Ms. Laurel C. Broten: Okay, but in Sweden it's commercial properties?

Dr. Tom Rand: In Sweden, it's everything.

Ms. Laurel C. Broten: Okay. Thanks.

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

Mr. John Yakabuski: Thank you very much, Tom, for joining us today—interesting stuff. A few years back, if this program would have been around, we probably would have gone with the geothermal if we'd known more about it at the time when we changed our own heating system, because there's no question about it; from an efficiency perspective, it would be better.

This is a bit of a new wrinkle to the issue. I certainly wish you luck in it because it's clearly got potential. There's no question about it; the amount of energy you would save by being able to heat, from your own source, your home and/or building, in your case, would be substantial. Of course, in those buildings, heating and cooling is a big component of the energy costs. So I can't comment on whether you're going to be successful or not, but there are probably some good ideas there that deserve a much closer look from our perspective as we try to reduce the amount of energy we use generally, and in total.

Dr. Tom Rand: I'd like to point out that you used the word "save," and something that I would like to emphasize about geo-exchange is that it's energy production. From the grid perspective, you're saving energy, and it's not as sexy as solar, thermal or wind, because you're not pumping electrons onto the grid, but you are producing energy.

Mr. John Yakabuski: But you're not taking energy out of the grid.

Dr. Tom Rand: Exactly.

Mr. John Yakabuski: You're producing it yourself.

Dr. Tom Rand: It's semantics, but it's an important distinction—

Mr. John Yakabuski: So the savings coming from what we would normally produce—and the production is, you're looking after your own needs.

Dr. Tom Rand: That's correct.

Mr. John Yakabuski: Understood.

Mr. John O'Toole: That's why you want a feed-in tariff, to be compensated somehow for the savings to the grid.

Dr. Tom Rand: Yes. It doesn't fit the feed-in tariff model, which is what I'm emphasizing. What geo-exchange needs above all else is low-cost capital for the really big stuff.

Mr. John Yakabuski: Not only geo-exchange, just about everything out there needs some low-cost capital these days, and access to it.

Thank you very much for your presentation. We really do appreciate it.

Dr. Tom Rand: You're welcome.

The Chair (Mr. David Oraziotti): That's all the time we have. Thank you very much.

ONTARIO FEDERATION OF ANGLERS AND HUNTERS

The Chair (Mr. David Oraziotti): The next presentation is from the Ontario Federation of Anglers and Hunters. Good afternoon, Dr. Quinney. You have 10 minutes for your presentation and five minutes for questions from members of the committee. State your name for the purposes of our recording Hansard. You can begin when you'd like.

Dr. Terry Quinney: Thank you very much, Mr. Chair. It's very good to see you again. Committee members, good afternoon.

Firstly, I bring a respectful greeting on behalf of the 83,000 dues-paying members of the Ontario Federation of Anglers and Hunters and our 655 member community-based clubs. I'm Terry Quinney, the Ontario Federation of Anglers and Hunters provincial manager of fish and wildlife services.

As Canada's premier non-governmental fish and wildlife conservation organization, we are partners in the provincial efforts to restore elk to Ontario and Atlantic salmon to Lake Ontario and its tributaries. We pay for research to assist the conservation of many fish and wildlife species in Ontario and are partners with the

Ontario Ministry of Natural Resources in the acclaimed invading species awareness program.

The government of Ontario states that Bill 150 is an act to enact the Green Energy Act, 2009 and to build a green economy. The Ontario Federation of Anglers and Hunters supports the government's objectives of cleaner sources of energy, expanded energy conservation and the promotion of a green economy.

Thus, my presentation is in two parts: part 1—expanding Ontario's green economy with new investments; part 2—ensuring Ontario's long-standing green economy is enhanced, not compromised, by Bill 150, the Green Energy Act.

Ontario's renewable natural resources, such as its fish and wildlife and their natural habitats, have supported a green economy for decades and remain a flagship, concrete example of sustainable economic development.

As a reminder, Ontario's fisheries resources produce over \$3 billion annually to our economy, largely through the benefits accrued from the over 1.5 million recreational anglers, resident and non-resident, who fish our waters each year, but also from commercial food fisheries, not to mention the social and cultural heritage benefits to aboriginal and non-aboriginal people alike in our province.

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Ontario's wildlife resources and the habitats that they depend upon are also annual-multi-billion-dollar green economies. The Ontario Ministry of Natural Resources stated several years ago: "More than 6.7 million of Ontario's 12.3 million residents are involved in some way in the use or in the appreciation of our fish and wildlife resources. They spend more than \$6.2 billion annually on fish- and wildlife-related activities that range from wildlife viewing to hunting, trapping, and commercial and recreational fishing. Ontario's tourism industry is highly dependent on our diverse natural environment, and fish and wildlife resources."

Our first message to the government of Ontario today is, by all means, expand Ontario's green economy, but do so with, for example, additional investments in the capital and operating budgets of your Ministry of Natural Resources. These too are wise investments in environmental infrastructure programs and projects that directly stimulate the economy, particularly the economies of northern and central Ontario.

An additional opportunity for you right now is through the impending renewal of the Canada-Ontario agreement on the Great Lakes basin; the acronym is COA. This excellent partnership between the government of Ontario and the government of Canada serves to assist in the restoration of our Great Lakes and their tributaries, so that the socio-economic and ecological potential of the Great Lakes basin can be fully realized. We request that the Ontario government significantly increase its annual contribution to this agreement. In turn, the Ontario Federation of Anglers and Hunters will do its best to convince the federal government that they must, at minimum, match the Ontario contribution.

In the second and final part of my presentation to you, I wish to bring to your attention a potentially unintended consequence of Bill 150, as written, that could have serious detrimental effects on existing fish and wildlife conservation efforts. Let me illustrate.

On the one hand, the people of Ontario have assurances that our precious fish and wildlife resources and their habitats are protected by current legislation and regulation, such as Ontario's Fish and Wildlife Conservation Act, the Ontario fishery regulations, Ontario's Lakes and Rivers Improvement Act, the federal Fisheries Act, the federal Migratory Birds Convention Act and Ontario's Heritage Hunting and Fishing Act. These are examples of existing, successful green legislation. On the other hand, in Bill 150, in part II, section 4, subsections (2) and (3), we see statements such as:

"(2) A person is permitted to undertake activities with respect to a designated renewable energy project ... as may be prescribed, despite any restriction imposed at law that would otherwise prevent or restrict the activity...."

"(3) A restriction imposed at law that would otherwise prevent or restrict an activity with respect to a designated renewable energy project ... is inoperative to the extent that it would otherwise prevent or restrict the activity."

The federal Fisheries Act contains provisions that can ensure, for example, fish passage when hydroelectric dams are constructed, and that act can protect fish habitat from the consequences of such projects. The Ontario Lakes and Rivers Improvement Act states its purpose as providing for the "perpetuation and use of the fish, wildlife ... resources dependent on the lakes and rivers." Hydroelectric turbines and dams can prevent the perpetuation and use of fish if not constructed to protect those values.

I'm a biologist and research scientist by training, not a lawyer. But I say to you that if section 4, subsections (2) and (3) actually mean what I think they mean, then Bill 150 would trump existing successful conservation laws. Surely, in its noble efforts to secure cleaner energy sources and expand our green economy, it's not the government's intention to neuter existing conservation laws. Instead, Bill 150 needs to be harmonized with existing successful conservation legislation, such as the Fish and Wildlife Conservation Act, the Lakes and Rivers Improvement Act and the Fisheries Act. Will you please ensure that this happens?

Thank you for your consideration of this most important matter.

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

Ms. Laurel C. Broten: Thank you very much for your presentation, Dr. Quinney. I can tell you that the government is committed to developing renewable energy projects that will ensure that human health and the environment are protected. The Green Energy and Green Economy Act, if passed, will allow for the Ministry of Natural Resources and the Ministry of the Environment to develop policies regarding requirements that project

developers must meet in order for their projects to be considered. So as MNR and MOE consult on these requirements, you would certainly be encouraged to make submissions, participate in the consultations with them and provide your views and advice on behalf of the Ontario Federation of Anglers and Hunters. We will ensure that coming out of this committee, your advice and information put forward within this context will go on towards them.

Do you have some preliminary advice with respect to those considerations that need to be established to balance renewable energy projects with successful fish and wildlife?

Dr. Terry Quinney: Thank you, firstly, for those reassurances. Secondly, off the top of my head, my personal professional opinion would be, I think it would sure give the public of Ontario comfort and assurance if there was something explicit in the act, whether it be in a preamble or the act itself, that acknowledges that existing, for example, fish and wildlife conservation laws—I gave you some examples—will in fact be respected and will not be run over roughshod, so to speak, by what is obviously well-intended legislation on the part of the government.

Ms. Laurel C. Broten: Thanks very much.

The Chair (Mr. David Oraziotti): Thank you for your comment. Mr. Yakabuski.

Mr. John Yakabuski: Thank you for joining us this afternoon. Those are some of the concerns that we've raised about the bill as well. The bill amends or repeals at least 15 current pieces of legislation, many of them affecting you and your area of expertise for the Ontario Federation of Anglers and Hunters. I guess a fair question would be, "Don't tell us you're going to be good to us. Why would you put these kinds of things in the bill in the first place that allow you to do that?" We're very concerned about the ministerial powers that have been bestowed in this bill.

Normally there's a consultative process before bills are written. Were you and/or anyone from the federation of anglers and hunters brought into the minister's office or at any time sat down and told, "These are some of the things we're thinking about. How will they impact you?" Was that part of the process? As a significant organization that does a tremendous job in protecting fish and wildlife in this province, were you consulted on it prior to the writing of the bill?

Dr. Terry Quinney: No, sir, not yet, but we sure hope that the government will further consult, for example, with organizations like mine so that we can get the best possible product for the people in the province.

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Mr. John Yakabuski: Because once this is passed, then it's a crapshoot; I mean, once it's law. Have you got any proposed or suggested amendments that we could do—remove parts of the bill, change parts of the bill—in order to protect fish and wildlife in this province and not just turn them over to the whims of the Minister of Energy?

Dr. Terry Quinney: Could we see an explicit statement that would again seek harmonization of this Bill 150 with both existing provincial and federal fish and wildlife conservation statutes? That would be my suggestion.

Mr. John Yakabuski: Thank you very much. I appreciate you coming in today.

The Chair (Mr. David Oraziotti): Thank you. Mr. Tabuns?

Mr. Peter Tabuns: Thank you very much for the presentation. I appreciate you taking the time.

You note in particular the whole issue of protecting fish access to rivers with hydroelectric. Could you talk about other forms of renewable energy and the biological challenges they might present?

Dr. Terry Quinney: Sure, I can. Thank you for the question, because while I used hydroelectric facilities as an illustration, it was as an illustration. I can tell you that from the viewpoint of large wind turbine operations, there are certainly both fish and wildlife considerations that must at the outset be, in my professional opinion, successfully addressed before the placement or the siting of these operations.

From a practical point of view, what I'm talking about specifically are, for example, the displacement of wildlife species, such as migratory birds, from their traditional migratory pathways or staging areas. In the case of fish species, it's my understanding that at least conceptually there are proposals that would see these turbines in the big waters of our Great Lakes—Lake Erie and Lake Ontario, as an example.

One must, again, from a fish habitat, a fish use and a fish values point of view, address those questions upfront, as well as the potential impacts on people; in other words, the people who may be currently using those fish and wildlife resources. Fishermen come to mind.

Mr. Peter Tabuns: Thank you.

The Chair (Mr. David Oraziotti): Thank you for your presentation. That's all the time we have.

TOM ADAMS

The Chair (Mr. David Oraziotti): Mr. Tom Adams? Good afternoon and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation and five minutes for questions from the committee. You can start your presentation when you like. Just please state your name for the recording purposes of Hansard.

Mr. Tom Adams: Thank you, Mr. Chairman and members of the committee, for an opportunity to make a deputation on Bill 150. My name is Tom Adams. I'm an independent researcher, writer and adviser specializing in electricity and environmental matters. I'm not here representing any particular interest or client, and I'm not asking for revisions to this or that clause within the legislation. My purpose today is to plead for the withdrawal of the legislation completely.

The bill is based on unworkable and illogical concepts. It will lead Ontario towards dramatically less efficient and more costly electricity. It will undermine the integrity of the public agencies and regulators charged with managing Ontario's electricity system. It will weaken municipal democracy. It threatens directly civil liberties by arming government with radical search and seizure powers. It may even violate international treaty and trade obligations through domestic content requirements.

I fear that many fair-minded Ontarians feeling the consequences of Bill 150 will conclude that if environmental protection policies require these sacrifices, then perhaps environmental protection is not worth the trouble.

The provisions of the bill offer the possibility that politically preferred customer groups might be excused from the full cost consequences by way of ministerial fiat. This provision would create a corrosive, beggar-thy-neighbour environment around rate-setting. Rate relief for some will necessarily come at the expense of other consumers. Small and medium-sized businesses are usually the losers in tussles of this type in jurisdictions across Canada, including Ontario.

The benefits of Bill 150 will flow to a handful of developers, manufacturers, contractors and, of course, their lawyers and consultants. Many of these beneficiaries would be well off and well employed without the vast wave of government aid flooding toward them.

The investments that Bill 150 will stimulate will be inflated in cost due to the competition for resources arising from similarly flawed policies now being implemented by President Obama on a much bigger scale in the United States.

Of the generation technologies that Bill 150 would stimulate, in a few years the solar panels being installed now will be obsolete relics. Wind power is now generating intermittent power on a scale such that the benefits of wind power are already being diluted by the hidden costs to maintain grid reliability.

I have appeared before legislative committees, energy regulators, academics and policy groups for over 20 years. Over the course of this history, the debate has always focused on something that would have been familiar to electricity policy-makers and debaters 110 years ago; that is, efficiency.

The Ontario Legislature has been persistently debating electricity concerns at least since 1899, when the great Liberal James Conmee, arguably the most exceptional and successful politician ever to represent Thunder Bay in this Legislature and also at the federal level, secured an amendment to the Ontario Municipal Act. Conmee's amendment required municipalities to buy out privately owned electrical and gas utilities at fair prices before initiating their own in the same franchise.

Conmee eventually lost a titanic political struggle against Adam Beck over the question of whether municipalities would be allowed to confiscate private assets. Although Conmee and Beck brawled politically,

both opponents would have firmly agreed that the ultimate purpose of electricity policy was to deliver power to customers as efficiently as possible.

That the Ontario government would deliberately implement electricity policies encouraging and promoting inefficiency and much higher costs to consumers would have shocked both men. Can anyone name a politician in Ontario from any period—up until this Parliament—who might have deliberately sought such inefficiency and excessive electricity rates as will be the consequences of Bill 150?

Since the time of Conmee and Beck, as Ontario grew in complexity, electricity policy progressed from simply focusing on cheap power. Reliable electricity at minimum cost, produced in compliance with our environmental rules, became the heart of Ontario's electricity policy. Sometimes the policy was imperfectly pursued, but a wide consensus supported the underlying objective.

The efficiency of our economy limits the output we can achieve from our efforts and investments. Wages rise and prosperity becomes more widespread when productivity improves. Because electricity is a basic input for every economic transaction, the efficiency of electricity production has quite properly been a central policy objective over the ages.

In place of the sound objective of efficiency, Bill 150 locks in inefficiency. Electricity will be procured through non-competitive feed-in tariffs. Generators will be allowed to locate anywhere irrespective of the costs imposed on consumers to build out the infrastructure. Regulators, whose proper job is to ensure the fairness and efficiency of the market, will be transformed into agencies promoting development even when it is wasteful and harms consumers.

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My academic life currently focuses on wind power. In the package of materials I provided through the clerk's office, I included a paper I co-authored which will be published as part of formal conference proceedings in May at McMaster University. In the course of developing the paper on wind power, my co-author and I discovered that several of the key technical analyses of wind power grid integration relied upon by the Ontario Independent Electricity System Operator and the Ontario Power Authority are seriously flawed. Here are some of the observations arising from the analysis of Ontario's actual wind power production experience.

Locating wind farms far apart from each other provides very little smoothing of output, much less than found in comparable European studies. Rapid up-and-down ramps of aggregate wind output are common and have already caused costly impacts on generation dispatch and have contributed to excess baseload generation events. Ontario's demand peaks in the summer, but here, like regions at our latitude around the world from Alberta to Germany, wind power productivity in summer is about half that of winter. Although Ontario has a secondary peak of demand in winter, the highest usage

days are on the coldest days. Unfortunately, the coldest days in winter happen to be the days of lowest wind power productivity. During the most recent winter, the productivity of the wind power fleet across Ontario was 50% better on warm days than on cold days.

These findings do not indicate that wind power can never be beneficial, but the research powerfully contradicts those who would claim that wind power's intermittency is not a problem, that wind power helps to replace coal, or those who claim that wind power should be allowed to develop wherever developers want it.

Bill 150's so-called revolutionary ideas are fundamentally threatening to the public interest in Ontario. That great Liberal and friend of Laurier, James Conmee, and the tentative Conservative Adam Beck would both have agreed that efficiency is not a policy principle that should be revolutionized.

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

Mr. John Yakabuski: Thank you very much for joining us today, Tom. I've watched and listened with interest to your articles over many years. One thing I could always say is they are not politically motivated; nobody gets a free ride from you. You speak from a point of view of being informed and determined.

Today, London Economics released a report with respect to the cost of electricity under this Green Energy Act, which the minister says is going to mean a 1%-per-year increase to your hydro bill over the next 10 years. We, from the start, have said that's absolutely impossible, and their report supports that. If this act is fully implemented from a low uptake to a high uptake on the feed-in tariff projects, what do you think it would do to the average person's electricity bill in this province?

Mr. Tom Adams: It's a legitimate question. Unfortunately I haven't done the research to provide a reasonable estimate, but we can see some of the directional impacts. The Bruce-to-Milton transmission line, which connects the Bruce nuclear power transformer station to the Milton transformer station, has approximately 58% of its design capacity committed for wind, the remainder for nuclear. The cost of that transmission line is \$3.5 million a kilometre.

So if you contemplate significant wind power development in further remote regions and you multiply out, we could end up with a situation—for example, if there's significant wind power development under Bill 150 that goes ahead at the west end of Lake Superior where there's already a power surplus and there is an attempt to drain power east, the cost of the transmission could exceed the cost of the wind turbines.

It's difficult to anticipate what the world would look like under such a radical proposal as Bill 150, but I think that the writing is on the wall. It's going to be very substantially more costly electricity.

Mr. John Yakabuski: Plus, we have to back up all that with dispatchable generation as well.

Mr. Tom Adams: Yes.

The Chair (Mr. David Oraziotti): Thank you for the question. That's all the time we have. Mr. Tabuns?

Mr. Peter Tabuns: Tom, thank you. If you are asking the government to withdraw the bill, do you have an alternative model that we should be looking to for large-scale implementation of renewable energy in Ontario?

Mr. Tom Adams: If there's one clause of the legislation that I would ask to be withdrawn first, it would be the clause that changes the objects in the Ontario Energy Board. The energy board legislation is fundamentally sound, and one of the requirements that is there today is protection of consumers with respect to price and reliability of power. That clause gives the board authority to distinguish between the productive and the unproductive investments that might come before them. So if there's one element that would help to encourage the cost-justified version of renewable power, it would be to leave the authority of the energy board intact.

Mr. Peter Tabuns: But do you have a model for large-scale infusion of renewable power into our electricity system? Is there another one in the world that we can look to?

Mr. Tom Adams: The model that the Europeans have been using, which is this feed-in tariff that they've got in Germany and Spain, has led to the Germans paying electricity prices that are almost US30 cents a kilowatt hour. That's triple what we're paying here.

The Chair (Mr. David Oraziotti): Thank you. That's the time we have for the question. Thank you, Mr. Tabuns. Mr. Mauro?

Mr. Bill Mauro: Mr. Adams, thank you for your presentation. Today, I'm getting a clear message from you, but I'm still uncertain—and I think Mr. Tabuns has tried to ask you what you would suggest would be the way we would produce our energy in Ontario. We've heard you in the past have concerns around nuclear. Today, I'm sensing you have concerns around renewables. You spoke pretty clearly to your concerns around the way wind is coming on stream. Of course, we're all concerned about cost, but just put that aside for the moment—and if you want to talk about it at the end, fine—and tell us perhaps how, if we can't do nuclear, if we can't do renewable—gas is a diminishing resource. People don't want coal. I don't know how you feel about coal. I'm looking for a sense of what you would envisage as the supply mix in Ontario, what percentages of each energy—you know, how would it be produced and how would you do that? I'd be interested to hear that.

Mr. Tom Adams: Good question. If we had environmental rules that were applied evenly to all sectors that said—carbon constraints or some other constraint on protection of the natural environment, and then allow the generators to compete against each other so there was open bidding and competitive processes, then you would reveal the ones that were cost-effective. It might be carbon capture and sequestration and possibly, conceivably, it's nuclear. If the subsidies are out of the game and everybody has to compete, then let them go out and do it.

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Mr. Bill Mauro: Your issue then is more on—you're giving me the cost argument, I guess, which—

Interjection.

Mr. Bill Mauro: Yes. I was just looking in terms of your favourite or favoured energy supply mix—nuclear, coal, gas, wind. I mean, if the cost piece is the argument, how would you suggest that we generate a renewables industry in Ontario, whether it's geothermal, wind, solar or hydraulic? If we don't use a feed-in tariff system, how would you suggest we get that renewable energy industry started in Ontario?

The Chair (Mr. David Oraziotti): Mr. Adams, as briefly as possible.

Mr. Tom Adams: There's a strong environmental argument to be made for coal. We have already some of the cleanest coal plants in North America here. If we shut them down, we're going to make our air dirtier, not cleaner. That's part of the solution. But carbon taxes across the board and then let the chips fall where they may.

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

TOWNSHIP OF SOUTH ALGONQUIN

The Chair (Mr. David Oraziotti): Our next presentation is the township of South Algonquin. Good afternoon, gentlemen. You have 10 minutes for your presentation. There are five minutes for questions from committee members. Just state your name for the recording purposes of Hansard, and you can begin when you like.

Mr. Percy Bresnahan: My name is Percy Bresnahan. I'm the mayor of the township of South Algonquin. I thank the standing committee for giving me this opportunity today to address Bill 150 and the concerns of my residents and the council that I represent.

Today, coming on Bill 150, I do represent 100% of my council, 100% of all of my residents, and I represent our businesses that have been losing over the past two years. I went around to every one—in a small community, you can do this—and I represent the First Nation as well.

Just to get your attention on how serious this Bill 150 is to small communities and councils like mine for making decisions, I think, from over the last 10 years that I've been on council, that this bill is moving in the opposite direction of where other bills have moved for small communities. They were giving more downloading to us, more responsibilities for councils and more opportunities for us to make local decisions. The little flyer I handed out for you today—I had a meeting with the Ministry of Natural Resources representative this morning, so that's why it says that on there.

Anyway, to go on, while we have your attention, something that President Kennedy said when he ran was to think not what this country can do for you, but think what you can do for the country. I'm using country in a way that—where I live. Think what we can do for our

country. We have the opportunity today in the standing committee to represent northern Ontario and where we're going to lose our benefits from natural resources ongoing, starting with this bill. If we take away from local councils the opportunity to make the decisions that are needed for their area to come forward in logging, tourism and recreation, we can lose by making the wrong decision.

In my township, I have two large sawmills. One of them is the biggest privately owned sawmill in the world; it has been running for over 100 years. It is having hardship today to move on, day by day, to make a living from the resources. We also now have a development of wind turbines within the area where they receive their timber from. This township is not against green energy in any way; I just think that the township of South Algonquin is not the area for wind turbines to create green energy.

But we also were very happy to hear about biomass. In the township of South Algonquin, biomass fits in with recreation, the sawmills, the local community and the people who come there to visit. For those of you who have never been to the township of South Algonquin, it's well named. It's right next door to Algonquin Park. Only South Algonquin is in the area where you can enjoy the recreation, no matter what your age. You can explore all of the township of South Algonquin as a tourist, rather than just drive through. We do not want to see Bill 150 come into place and our local council or residents or First Nations not have a lot of say in where it's going.

For example, the township of South Algonquin is 80% crown. What that tells the council of the township of South Algonquin and the residents is that maybe the provincial government wants to take 80% of the authority away from us. Eighty per cent is a lot of crown land. We had SkyPower come in and do a test and they're planning on putting up six turbines. Then RES came along on crown and is planning 60, which will cover 17 miles of Highway 60, right next door to Algonquin Park.

Our township has been working with the Ministry of Natural Resources over the past 10 to 15 years to protect the wood turtle. This is one of the only areas left in the world where it exists. It exists four kilometres from this wind turbine footprint. The township has just been asked for \$100,000 to put a trail around to protect the wood turtle. When we're working with the government, we have to have some help.

On the other hand, not long ago, maybe 10 years ago, the red wolf: The red wolf uses our township for its winter habitat. That's where it goes. It comes to the township of South Algonquin. We have lost hunting over it, we have lost income, and trappers have lost because of the red wolf. We accepted it and moved on.

But this committee is going to have to make some recommendations to save our community. I do not think that wind turbines in the township of South Algonquin—which is right next door to Algonquin Park, which has two provincial parks running the full length of it, the Madawaska River park and the Opeongo River park, that

are now going to circle the wind turbines. I just think it's really in the wrong direction for us to go into wind turbines in our township. I do not think it does us any good to move that way. What wind turbines do to the power lines is take up what volume the lines can take.

Now that the provincial government is interested in burning wood or pellets to produce hydro—and I'm hoping that that's one way that they do go—I do think that our township can provide for green energy by providing biomass. Looking into biomass, we could probably create another 200 jobs within our township, plus keep the two sawmills possibly going that are there already.

Within the last year and a half, we have lost, in the township of South Algonquin, all the saleability of our low-end material. That is our biomass, and it has affected our sawmills probably to the point of closing down this September. Let's pray it doesn't. But it has affected the low end that badly. Biomass, creating something to burn for a coal plant, is really exciting for our council and our township. It would be something that would bring us to the point where we can keep our people in our township, keep everybody working and move on, creating within what we have.

So I think the township of South Algonquin can produce green energy by producing biomass and hopefully feed the coal plants to keep us on an upgrade with our electricity. We are not against the producing of the green energy, in no way.

When RES came to the township of South Algonquin, we had already stood forward to one little site. Within our township, we're looking forward to tourism, developing tourism, and it's a point of our council that we do not think that the wind turbines will help the tourism industry in the township of South Algonquin.

In finishing, I would like you to take a long look at Bill 150, and if it does hinder the councils of small communities in northern Ontario, that you take a long look at it and move forward with what we need for Ontario. But don't forget that we need our jobs in northern Ontario, and there aren't many jobs in wind turbines. They're expensive; they're not made in Canada, from what I understand. We're giving jobs away. We have to take the steps now to create jobs at this time, the way the economy is, and I certainly would ask the standing committee to represent our council that way. Hopefully, we'll come out with a positive answer. I thank you for your time.

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The Chair (Mr. David Oraziotti): Thank you very much for your presentation. We have about a minute and a half each. Mr. Tabuns.

Mr. Peter Tabuns: Thank you very much for coming down and making a presentation.

Mr. Percy Bresnahan: You're welcome.

Mr. Peter Tabuns: You said that the waste from your logging operations is no longer economically saleable. Could you tell us what that relates to, what the economics are?

Mr. Percy Bresnahan: Okay. Sixty per cent of the wood that comes into our township comes from Algonquin Park, 30% comes from local crown land and the other 10% comes from farmers. In your woods, you're looking at 45% to 50% in our area of low-end material, which is chips that used to go for paper. Mills have shut down; we don't have the sale for it anymore. Biomass is exactly that, and we cannot continue logging without taking the low-end material out. It's not feasible to log and not take the low-end material.

One of the things that biomass will do for our crown is that we are leaving 15% to 20% in the woods right now at all times. Now there's another 30% that we can't sell. We have to harness that. It's been an issue for years to harness it. It's how we do it. Burning it for energy makes a lot of sense. It's the way that we should be going for our coal plants. We should be burning it, we should be building plants to burn it, if it's there, and in our township, it is.

In Algonquin Park, which I assume most of you know, the way they log is, you cannot go in and log and just take all the high-quality. It has to be across the board—30%, 30%, 30%. If you do not have low material or biomass—saleable low material—it's not going to come out.

A few months ago, we were talking about a footprint in Algonquin Park. Biomass will help the footprint. I worked in the industry for 20 years. The more we take out, the better it's going to be, and in our township, biomass is probably the big thing that's left. It was overlogged years ago—it's not like the park—but if we take out that low material for biomass, it's going to create two things: It's going to create food for the wildlife and it's going to make a product that's grown, and the logs that are in there—we're going to get it out at a cost that we can afford for the mills, and it's going to save acres in the long run. It's going to save acres in Algonquin Park and it's going to save acres on crown—

The Chair (Mr. David Oraziotti): Thank you, Mr. Bresnahan.

Mr. Percy Bresnahan: Did I answer your question?

Mr. Peter Tabuns: Yes.

Mr. Percy Bresnahan: Thank you.

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

Mrs. Carol Mitchell: Thank you very much for coming to Toronto today and making your presentation. I just have a very quick question—we're hoping to share here with the member sitting beside me. I hear your concerns on wind turbines, but I would ask of you, where would you suggest that wind turbines should go in the province of Ontario?

Mr. Percy Bresnahan: I can only represent the township of South Algonquin, but I do not think that we should be destroying any more natural habitat at all in this country due to something that's not productive. Like I said in the opening statement, let's make a decision for the country; let's not make a decision for ourselves. And when I say "country," I mean the country.

When I drove into Toronto here and fought the weather, I said to myself, "It's no wonder that people from here come to the township of South Algonquin for a vacation." We want it to continue. It's a livelihood for us. We cannot lose our tourist industry, we cannot lose the forest industry, and wind turbines are not producing. So I can't answer as to where you're going to go, but I do think that our township, anywhere where it's a productive forest or a natural—

Mr. Lou Rinaldi: Anywhere but us.

Mr. Brent Peterson: It's not anywhere but us. It's developed, agricultural land.

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

Mr. John Yakabuski: Thank you very much, Percy and Brent, for joining us today. It's too bad it wasn't a nice sunny day.

You and I have had many conversations on this issue, Percy. South Algonquin is in my riding, so I'm quite familiar with the issue and I'm quite familiar with how you dealt with it as a council in respecting the views of your residents in regard to this proposed wind development, the 60 turbines that RES plans for the shadow of Algonquin Park—I mean, within spitting distance of Algonquin Park, quite frankly.

I remember when I asked the minister in estimates in the fall about his letter—and he immediately sent a letter back to you folks, saying, "You don't know what you're doing, blah, blah, blah," a shame-on-you type of thing, scolding you. I asked him in estimates at that time, "Do you plan to take away the municipality's power when it comes to whether or not they can approve windmills?" He skirted all around the issue and never answered the question, quite frankly, and here we have the Green Energy Act that is doing exactly that: taking away your right to represent the people who have elected you.

I appreciate you coming in today to articulate in a way much better than I could ever do here, in front of this committee, about what it means to the residents when these kinds of decisions are taken. Quite frankly, the act gives the minister such tremendous powers over above and beyond what any minister should ever have with respect to their ability to tell you in South Algonquin, or Sebastopol, or Bonnechere Valley or anywhere else how the residents have the right to make their own determinations about how they use their land.

Mr. Percy Bresnahan: Thank you. If I just have a minute—

The Chair (Mr. David Oraziotti): Go ahead, if you want to quickly wrap it up—

Mr. Percy Bresnahan: I just want to wrap it up with John's statement. John's a good friend of mine, and I'm just going to say—

Interjection.

Mr. Percy Bresnahan: You can be a friend of mine, too. I like to be a friend of everybody.

Anyway, I was just going to say, when the cell towers were approved for the township of South Algonquin, we were really happy that we would get cellphones, and one

of the things we needed was Algonquin Park. We needed the population of Algonquin Park to sustain what we needed to put in cellphones. It took us two years to get it through their heads that we needed them. They couldn't put one light in Algonquin Park to support the residents; they couldn't put one light in our township or Algonquin Park to support our township for cellphones and Internet access to improve our quality of life and get our business working, but what they did now is they're going to approve in our township—

The Chair (Mr. David Oraziotti): Mr. Mayor, can you wrap it up?

Mr. Percy Bresnahan: —80 lights in 17 miles right on the border of Algonquin Park. I would like the opportunity for our council to be sitting there in discussions. I don't want to be out of the picture. Anyway, we thank you—

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

GREY ASSOCIATION FOR BETTER PLANNING

The Chair (Mr. David Oraziotti): The next presentation is the Grey Association for Better Planning. Good afternoon, sir. You have 10 minutes for your presentation and five minutes for questions. I understand that you have—is it a PowerPoint presentation?

Mr. Doug Dingeldein: We were going to use PowerPoint, but I don't think we need it. We'll just speak from the notes.

The Chair (Mr. David Oraziotti): Please just state your name for the purposes of recording Hansard. I understand that we have someone joining you on a teleconference call?

Mr. Doug Dingeldein: No, I don't think so. I think I will handle the presentation myself. The person who was going to join us by teleconference is the president of our association, but he is storm-stayed in Grey county at the moment and is unable to join us.

Perhaps I should tell you a little bit about the Grey Association for Better Planning. This is a group that's a Grey-county-wide ratepayer group. We were incorporated in 1989 at the height of the planning gold rush in Grey county. The organization was set up to educate citizens and to encourage local governments to understand and implement good land-use planning policies and procedures, and I think we've had considerable success in that area over the last 20 years. We've been actively involved in the development of official plans and zoning bylaws, not only at the county level but also at every municipal level within the county.

1700

Why are we here today? We're here because, in our work with local governments, we've been very active in recent years in helping to develop official plan amendments and zoning bylaws that relate to renewable energy. We've succeeded in getting these into approved official plans in a couple of cases. Also, 14% of our

county is within the Niagara Escarpment planning area, so you can see that we have a fair amount of skin in the game here, and we have many prime areas within the county that are prime development areas for wind. One other aspect that is relevant here is that we have a large farming community and we have several large farms. These farms are ideally suited to the development of biogas.

The focus of our comments really is on aspects of Bill 150 that relate to the generation of renewable energy; that is, activities that connect renewable energy plants directly to the Ontario grid. GABP would ask you as a committee to really think about the planning framework that has been built up over five decades in Ontario. I would like to remind you that in the mid-1940s there was the first iteration of the Planning Act; in the 1960s, Hurricane Hazel and other awareness of environmental problems brought forward the conservation authorities; in the 1980s, the government moved to protect the Niagara Escarpment; in the 1990s, the first provincial policy statements were promulgated; in 2000, the tragedy in Walkerton led to the Water Source Protection Act; and more recently, in 2005, the provincial policy statements have been further strengthened.

The planning framework that all of us have learned to live with over the last many, many decades has been built up slowly over a long period of time and has proven to be one of Ontario's big success stories. We could also mention the greenbelt, the advent of the environmental assessment process, the Oak Ridges Moraine Protection Act and so on. There are many other things too, but these are the main highlights.

It seems to us that Bill 150 breaks with Ontario's proven processes for regulating land use. It's going to undermine the conservation authorities by pretending that the protection of water in watersheds can be somehow divorced from protecting the land around it. It's going to undermine municipalities and their provincially approved official plans and zoning bylaws in regard to regulating renewable energy projects in their jurisdictions. I want to remind you, as the mayor of South Algonquin pointed out, that the trend has been to download more and more responsibility to local levels for decision-making: The province provides the framework and leaves the decisions to the local people.

Finally, it seems to us that this bill is going to compromise the Niagara Escarpment plan, which protects, as you know, a world biosphere reserve. It will do this by opening the door to industrial-scale renewable energy within the plan area.

Do we really need Bill 150? Bill 150 seeks to remove barriers to the province's renewable energy goals, but if you take a very hard look at what's been happening over the last several years, what evidence is there of barriers? What are these barriers? Quite to the contrary, the existing planning environment and the present level of subsidies have resulted in progress on renewables that exceeds all expectations.

Within a few short years of activity, as of February this year, there were 454 projects that have been contracted by the Ontario Power Authority, with a combined capacity of over 3,000 megawatts. To put that into some kind of context for you, OPG operates five coal fossil-fuel plants with a combined capacity of 8,500 megawatts. But this is a little misleading. Before I came to this meeting today, I checked the noon-hour output from these fossil fuel plants, and in fact, they are only generating about 1,500 megawatts. They have a capacity of 8,500 but are actually only generating about 1,500.

I think you'll admit that this has been a success. It has taken decades and decades to get the present electricity supply system in place, but in a matter of a few years, we've managed to contract for 3,000 megawatts of renewable energy. So what's the flip side of this success? There are large areas of the province that have limited or no ability to accept new generation. If you can picture a map of the province in your mind and draw a line from roughly Parry Sound across to the Ottawa River and from Owen Sound to Toronto, anywhere in the southeast part of the province, there is transmission capacity. Everywhere else in the province, there's no transmission capacity.

The thing about transmission capacity is that if it's exceeded in one area, some generation has to be shut down. But if the power is actually contracted, then consumers must pay for that power even though there's no generation. We pay twice, with no additional generation benefit. You should know that there are hundreds of existing projects right now—green energy projects—that are awaiting connection. There is new transmission coming, and a lot of that has been detailed in the integrated power system plan. But you should also know that the bulk of that stretches out to 2017 to 2025. It is something that is going to happen in the future.

You should also know that the hearings that were set up by the Ontario Energy Board to hear submissions on the IPSP were suspended in 2008 and haven't been resumed. If you actually look at the recommendations within the IPSP, you will see that if the province is to meet its transmission enhancement goals by this 2017-and-beyond time frame, construction must begin right now, this year. You can say that OPG and other experts don't know what they're talking about, but that is what they say.

We need the transmission to be successful in renewable energy right now. We are not going to get it and we don't have it. So I would ask you, the committee, to consider this question: Is it prudent to spend tax dollars right now to subsidize green energy projects from which consumers cannot benefit?

However, let's assume that we do go ahead anyway with the development of further projects. Do we need the proposed feed-in tariff? They have positioned the feed-in tariff as a simplified, more market-friendly pricing system. Let me tell you a little bit about—

The Chair (Mr. David Oraziotti): Sir, that is the time for your presentation. If you want to take 30 seconds to wrap it up, we would appreciate it.

Mr. Doug Dingeldein: Okay. There are 15 basic price levels and adjustments within FIT. This compares to three within the old system. FIT is far more generous as well. It proposes to offer up to 90% more than present subsidies in some categories. You've got to ask yourself a question: If the present practice is so successful they can't connect the projects already under contract, why would we spend more tax dollars to stimulate development of even more projects that we won't be able to connect for some time?

1710

I'm happy to take your questions.

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

Ms. Laurel C. Broten: Are you first, Mr. O'Toole?

Interjection.

Ms. Laurel C. Broten: Thank you very much. In the context of your discussions, you focused somewhat on the Niagara Escarpment, and I wanted to focus my questions with respect to the Niagara Escarpment protection, among other issues. I'm wondering whether your group and your community, in the context of developing the work that you have done, have considered whether or not you would group co-operative, community-based, larger-scale electricity projects not necessarily for sale on a commercial basis into the grid, and whether you've distinguished that from commercial projects that would sell power into the grid. The second question is whether or not you view that there are any forms of renewable electricity that are compatible with the Niagara Escarpment.

Mr. Doug Dingeldein: Sure. Right now, the Niagara Escarpment planning group does not turn down any request for a wind turbine for personal use—very few. Most of the applications that go before the commission are approved for single-farm or single-dwelling use. This would be the same case for farms, for example, that might implement a biogas operation. Yes, there are plenty, but what we're concerned about is industrial-scale large wind plants. I think if they were to be implemented within the Niagara Escarpment area, they would severely damage the integrity of that plan.

Ms. Laurel C. Broten: So what if a community group going—

The Chair (Mr. David Oraziotti): Ms. Broten, that's the time you have for questions. Mr. O'Toole?

Mr. John O'Toole: Thank you very much for your presentation and for the work you've done in advocacy on behalf of the Niagara Escarpment.

I can just tell by the detail of your presentation—the unfortunate dilemma—that you had a lot more information to share, and I wish the committee would have listened to all of it, especially, when you got into the feed-in tariff part, about the unreasonableness and what we're setting ourselves up for.

But I want to just go back to some fundamentals which were addressed by you. You talked about one

important policy objection, and I think it's critical that people understand it: the arbitrariness and the ruthlessness of this government. In 2005, they made a big deal out of the provincial policy statement and the words "being consistent with," and here they are slashing it. That's the truth of what this legislation does, not just to the Niagara Escarpment. We heard it from the township of South Algonquin as well, and we've heard it before. What you're suggesting as well is the constraints within the transmission system.

I find a lot of dishonesty in the act, both in the renewable supply component—

Interjections.

Mr. John O'Toole: No, I'm saying this on the record: that it will not be heard. This bill is going to be rammed through—

The Chair (Mr. David Oraziotti): Mr. O'Toole, I'm going to ask you to withdraw that word.

Mr. John O'Toole: —thank you very much for your time. What I'd like from you is, is there anything in this bill that you accept?

The Chair (Mr. David Oraziotti): We're going to move on to Mr. Tabuns.

Mr. John O'Toole: Way to go. Thanks a lot.

Mr. Doug Dingeldein: If you could permit me just one—

The Chair (Mr. David Oraziotti): The questioning is to Mr. Tabuns.

Mr. Doug Dingeldein: Oh. Sorry.

Mr. Peter Tabuns: Thank you very much for coming down. I appreciate the thought that you put into the presentation today. You note many existing projects that didn't go forward because there wasn't adequate capacity. These are very much in the area that you've been working in?

Mr. Doug Dingeldein: Exactly. These would be wind, biogas, solar, many projects that are actually under contract right now through OPA that are awaiting a connection agreement.

Mr. Peter Tabuns: When you talk to the government about these projects, what do they have to say about eventual connection of them?

Mr. Doug Dingeldein: A lot of them are dependent on approval and progress on the IPSP. If that does not get moving, then that just pushes the transmission capacity—and by the way, the Bruce to Milton line is caught up in that as well.

You asked Tom Adams about an alternative. You have an alternative to Bill 150 right within this building. You have ministries here which have the capability to deliver targeted renewable energy projects very quickly and very efficiently.

I would just give you one quick example, and that is OMAFRA, which has had very good relationships and a very good handle on the farming community throughout this province for many decades. Some 3,500 farms in Ontario are of a scale and of a type of farming that could implement biogas right now. The technology is proven. There are very few environmental problems, there are

very few NIMBY problems associated with those biogas projects, and if you looked at the potential of the collective output of those 3,500 farms, they would replace Bruce nuclear.

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

Mr. Doug Dingeldein: You're welcome. Thank you for your time.

JOSÉ ETCHEVERRY

The Chair (Mr. David Oraziotti): Our next presenter, if you'd come forward, assistant professor at York University, José—I'm not going to attempt the last name. You can state your name for the purposes of Hansard.

Dr. José Etcheverry: Thank you. José Etcheverry, from the faculty of environmental studies of York University.

The Chair (Mr. David Oraziotti): You have 10 minutes for your presentation and five minutes for questions from the committee members. We can begin when you like.

Dr. José Etcheverry: Thank you. I wanted to start by thanking the committee for inviting me to present, and I also wanted to clarify to all the members of the committee what my stance is in the province of Ontario in terms of employment. I want to clarify that I'm employed by the faculty of environmental studies of York University solely; that's how I pay my mortgage and that's how I pay my bills. I'm here to represent my personal views as a public servant. As you are well aware, the university system in this province was set up to ensure there were independent people who could opine about matters that were of importance for the province of Ontario. So I wanted to start with that opening statement.

I also have produced a PowerPoint presentation. I apologize in advance to those of you who wear glasses; it's a little bit on small print. I was trying to save paper, because I believe that one has to walk the walk and talk the talk. I'm more than willing to provide you with a digital copy should you want to have a digital copy of my presentation.

I actually want to direct your attention to the first slides of my presentation, where I basically illustrate two important points that I think should be brought to the attention of the committee. The first is a series of square boxes that demonstrates graphically the potential for renewable energy on the planet in relation to the current energy consumption on the planet. As you can see, that potential is very, very big compared to what we use today on this planet. The sustainability paradox for the 21st century will be for humanity to be able to find manners to tap into that very abundant flow of resources that the sun provides on a regular basis to our planet for free.

I also want to point out the second slide. Since 2005, I've represented our country as a Canadian correspondent of the Renewable Energy Policy Network for the 21st Century, which was created by fiat of the United Nations

after the Johannesburg meetings and the renewable energy conference in Bonn. REN21 has the task to keep an accounting of the market of renewable energy on a regular basis. This market, as you can see from slide number three, is growing very rapidly. I'm not allowed to share with the committee the figures for 2009 because they're not yet published, but I can tell you in advance, as a sneak preview, that those numbers have increased. We have passed very well the \$100-billion mark in investment per year. This is a new industry on the planet; it's an industry that's bringing a lot of new jobs and a new industry that provides good-quality opportunities for the jurisdictions that choose to take advantage of it.

That brings me to a point here in the previous three presentations that I heard. I want to encourage the committee to take a multipartisan approach to this issue. Ontario has an incredible opportunity in front of it. We are a province that depends upon technology. We are a province that lacks fossil fuel resources and non-renewable resources such as uranium—we only have a little bit of uranium. So every time we invest in technology, we will employ Ontarians, and I think it's a very important point to make.

1720

The second point that I want to make is that I can understand there is a lot of apprehension amongst Ontarians. I have heard three presentations that denoted to me a certain level of apprehension. Change brings with it, sometimes, fear—fear of the unknown, fear of the consequences. I have had the privilege of travelling very much during my life and I've spent most of my travelling time not as a tourist but as a visiting scholar to the jurisdictions that are currently leading with renewable energy; those are the countries of Spain, Germany and Denmark. I can tell you, if you go to those countries—if you haven't done it yet—to do a fact-finding mission, what you will find is large numbers of people working on the manufacture of technology—technology that gets installed and is reliable. The people who say otherwise, you should question why they're saying otherwise.

I think it's important to note that countries like Spain and Denmark, which have significant mixes of wind power, which is always considered an intermittent renewable, have found a way of dealing with moments in their electricity mix when the wind installations provide not 5%, not 10%, not 20%, but 40% of their electricity on a daily basis. I wanted to emphasize that these countries have learned how to do this, and I want to direct the attention of the committee to the point of smart grids in my PowerPoint presentation.

In the act, there is a definition of what a smart grid means and I want to provide a suggestion for the committee to treat this definition of smart grids as a background piece of information and try to operationalize what a smart grid could do for Ontario, not by treating it as a research approach, but treating it as a market opportunity. I have a very specific recommendation there, in relation to treating storage opportunities that have to do with technologies such as wind and solar, to receive feed-in

tariff benefits. This strategy would make renewable energy resources that are intermittent dispatchable. Also, by treating smart grids on a market approach, you will be able to create market discipline amongst renewable energy generators so they can use the ability of using technology to forecast in advance—24 hours—what their generators will be able to contribute to the electricity grid.

There are also in my presentation six other specific recommendations related to specific aspects of the Green Energy Act. I want to keep my presentation succinct, Chair, to the point, and I basically want to emphasize that those six recommendations were made in this period of what the Ontario government pays me to do. I provide advice on how to improve policy.

I want to conclude my presentation by saying something very specific. I believe, after analyzing all the renewable energy programs of the federal government, after evaluating, province by province and territory by territory, all the renewable energy initiatives as part of my job as correspondent of REN21 for the 2009 publication, I can tell you nothing comes closer to the Green Energy Act in terms of its ability to create a paradigm shift from old ways of doing things that were polluting and unreliable and that have gotten our civilization in a very difficult situation. I don't need to emphasize to members of the committee the issue of climate change. I realize that all of you around this table are well aware of this issue. The Green Energy Act will prove to be, if passed and supported in the manner that I suggested respectfully to the committee, by multipartisan approaches, the most significant climate change mitigation strategy of Canada—not of Ontario, but of Canada—so it is a duty of Ontarians to lead now on this very interesting paradox that we have of how to do well by doing good. I want to emphasize that my analysis of the Green Energy Act clearly indicates that it has equitable components that are second to none being implemented in the continents of the Americas, hence the title of my PowerPoint presentation to you.

I want to conclude by encouraging the members of all parties to seek advice from those leaders on the planet on renewable energy to ensure that this legislation and the regulations that will support it make our province a place that will provide employment for present and future generations, protect the environment and ensure the participation of First Nations and community groups. Thank you very much.

The Chair (Mr. David Orazietti): Thank you for your presentation. Mr. Yakabuski?

Mr. John Yakabuski: Thank you very much, Dr. Etcheverry, for your presentation today. There might be some items that we may question you on, because some of the things you said—you talked about reliability and intermittency. These are not my findings; these are from the German people themselves: About 30% of their capacity is in wind, but they only get 7% of their power from wind, which speaks to the intermittency and the reliability factor of the technology—because you can't

control the wind. The wind is controlled by powers that are much higher than anything in this Legislature. You talked about Denmark, and we know that the price of power in Denmark is 39 cents a kilowatt hour. So if we're talking about a model, I guess I'd ask how we could possibly use a Danish model and still survive in an industrial goods-producing economy like Ontario at those kinds of rates for power.

We all recognize the issue of climate change, but I was given information from experts in the field who put it this way: If Ontario ceased to emit anything now, today—if it stopped producing anything, if Ontario basically just disappeared—China's emissions would make up for what we emit in less than six months. The growth rate of their emissions would make up for everything that Ontario produces in less than six months.

So I just want to put those things into perspective. If you think that an act, where the minister on one day says, "We might get 5% of our energy, maybe, from this act"—how much difference is that actually going to make? But at what cost will it be to the people of Ontario?

Dr. José Etcheverry: Mr. Yakabuski, as a scholar—

The Chair (Mr. David Orziatti): Just a second. Before you respond, Mr. Yakabuski has used most of his time to put his comments on the record. You only have about 15 seconds or so to respond.

Dr. José Etcheverry: I'll try to do it in 15 seconds. As a scholar, Mr. Yakabuski, I can tell you three things related to the questions that you posed to me. Number one, in relation to Germany, I encourage the committee to look at the web page of the International Feed-in Cooperation, which is a trilateral agency of the countries of Germany, Spain and Slovenia, where in the section on documents, the government of Germany has published the results of their renewable energy laws. What you will see are the results there, sir. I direct you to that source.

In relation to the 30-cent residential price of electricity, I assume you mentioned, in Denmark: In Denmark, the price of electricity for the industrial sector, just as it is in Germany, Spain and most of the European Union countries, is protected to ensure that European industry is not disadvantaged on the global market. So your comment is only applicable to the residential sector, and it applies on that price because the Danish people have carbon taxation on top of their electricity prices, and other measures to internalize the prices of pollution.

Last but not least—

The Chair (Mr. David Orziatti): Thank you.

Dr. José Etcheverry: Just out of respect to Mr. Yakabuski—

The Chair (Mr. David Orziatti): Okay. Wrap it up.

Dr. José Etcheverry: —I'll wrap it up with the last comment that you made. Our province derives 25% of its electricity from hydro power. The quest for us here now is to see how we can take advantage of that dispatchable electricity to combine it with other renewable energy sources.

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I want to end my commentary respectfully by saying that, make no mistake, history will not be kind to us if we let this opportunity pass. Barack Obama has made it clear that he's going to lead his country through the use of green energy. Two people can coexist as partners, but if we let the other partner take over, the other partner will manufacture all the systems, and the jobs will go to that jurisdiction. I want to go on the record with that, please, and that the Green Energy Act—

The Chair (Mr. David Orziatti): Thank you. That's all the time we have. We appreciate it.

Mr. Tabuns.

Mr. Peter Tabuns: Thank you very much for coming here, and thanks for the presentation. I would like an electronic copy of the slideshow.

What do you see as the advantage to this bill over the RESOP program that existed previously?

Dr. José Etcheverry: Very succinctly, it represents an evolution of the RESOP system. RESOP was the first program of its kind to be introduced in an anglophone jurisdiction on this planet. It was the first time that it was introduced in North America.

Although the feed-in tariff concept had its origins in California, as you well know, in the 1970s in the PURPA legislation, in the intervening three decades knowledge has been augmented by learning and by doing.

The Green Energy Act represents the evolution of that knowledge, the accumulated knowledge of the laws that have been implemented in the leading countries of the world—Germany, Spain and Denmark—adapted to Ontario conditions. That's why I call it the most progressive legislation of its kind, not in North America but in the continent of the Americas.

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

Ms. Laurel C. Broten: Chair?

The Chair (Mr. David Orziatti): Pardon me. Sorry, Ms. Broten.

Ms. Laurel C. Broten: Thank you. I want to just focus in on two suggestions that you brought forward. One was with respect to the development of storage options and the use of feed-in tariff for that, and the other with respect to connection priority. I'm wondering whether you can point to any jurisdictions beyond North America where we might look to those two issues having been tackled.

Dr. José Etcheverry: On the first question, with respect to storage, I'm suggesting that our province could lead, because all the other jurisdictions in the world that have renewable energy are treating storage as a research and development strategy. We could be the first ones to create a domestic market for storage. By doing that, we position ourselves in a very, very sweet spot, if I may put it colloquially.

In relation to the other recommendations, it is clear—and again, I direct the attention of the committee to the International Feed-in Cooperation website, where the

second paper on best-practice design of feed-in tariffs has been posted. It was posted in November 2008 and released in Brussels. You can use that document to compare what the OPA is proposing, and you will see that what the OPA is proposing, within a few changes, will constitute the most advanced feed-in tariff system of the Americas.

Ms. Laurel C. Broten: Thank you.

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

Dr. José Etcheverry: Thank you to the committee for your time.

COMMUNITY POWER FUND

The Chair (Mr. David Orazietti): The next presentation is the Community Power Fund. Good afternoon, sir. You have 10 minutes for your presentation and five minutes for questions from committee members. You can state your name for the purposes of recording Hansard. You can begin your presentation when you like.

Mr. Brian Iler: Thank you very much. My name is Brian Iler. I'm a director of the Community Power Fund. Thank you, Mr. Chair and members of the committee, for hearing from us today.

The Community Power Fund was established by the Ontario Sustainable Energy Association to provide financial support for community power projects in Ontario. You might find some history of the community power sector helpful.

The first community power project in Ontario was the wind turbine at Exhibition Place here in Toronto. It was a project of the Toronto Renewable Energy Co-operative, or TREC, of which I am a founding director.

We felt that there had to be an alternative to the Mike Harris government's plans to privatize the generation and distribution of electricity in our province, and to the then prevailing commitment to fossil fuel and nuclear sources for much of our electricity generation.

We were inspired by Denmark and Germany, where community-initiated and funded electricity projects were sprouting up, enabling local communities to participate in the ownership and financing of green energy projects in their midst. Of course, we remain inspired by what Europe generally, and Germany in particular, continue to achieve in their impressive expansion of green energy generation and community ownership.

The TREC turbine inspired other groups around the province to consider similar projects that led to OSEA's formation: to act as the voice for community power in Ontario and to provide practical support to its members to ensure successful projects. I was pleased to sit on the OSEA board for six years and am a past chair of that board.

We found that the major impediment to community power projects in Ontario was the absence of a supportive government policy environment that would encourage and nurture community-owned green energy projects. That changed modestly with the Ministry of Energy's

announcement of the renewable energy standard offer program, or RESOP, in 2006. Unfortunately, that program failed to sufficiently address continuing barriers to community power.

That has now changed. Assuming that regulations made under Bill 150 are consistent with the spirit of the bill, and we have no reason to believe they won't be, Ontario's Green Energy Act will be world class. It will provide precisely the tools, resources and encouragement that the many community power projects waiting to get started, and those of the many more communities who will now be inspired to act, need to proceed full speed ahead.

The Community Power Fund wholeheartedly endorses Bill 150. It is bold, imaginative and precisely what is necessary for a secure, sustainable energy future for our province and to seriously address the dire threat to our very existence that climate change poses.

The bill does address the significant barriers the community power sector has faced to date. The Lakewind project—which, Mrs. Mitchell, you're certainly familiar with—a joint venture of TREC and Countryside Energy Co-op, located on land near Kincardine, has been stalled since November 2006 owing to the priority given to nuclear power over renewables on the transmission grid. With the right to connect and priority access given to renewable energy in this bill, Lakewind and other similar projects can finally proceed.

We anticipate that the proposed feed-in tariff will be modelled on Europe's successful precedents. Those precedents establish that a feed-in tariff based on costs plus a reasonable return on investment, reflecting risk, and differentiation based on energy intensity will ensure that investments by members of our communities will be reasonably secure and that electricity consumers do not pay a price for electricity that provides windfall profits to investors.

There are several modest improvements that the Green Energy Act Alliance has recommended that would make an already great bill even better. The Community Power Fund supports those recommendations.

Finally, from the fund's perspective, for community power to achieve its potential, it is essential that projects have the necessary financing to develop. Unlike the private sector that has access to high-risk venture capital for its project development work, community projects are dependent upon early-stage financing from the fund and similar sources to get them to the stage where an offering of shares to their communities can be made. Our fund has considerable experience in assessing community power applicants and overseeing money disbursed. Since our resources are relatively meagre at this point, we have not been able to mount an effective revolving investment and loan program.

We look to your government and its agencies to provide sufficient capital—preferably through the fund, as it has the experience and expertise—to enable our province's communities to participate effectively and fully in this exciting initiative. Funding for community

power is certainly contemplated by the powers to be given under schedule C, section 6(2), and to be charged to the rate base pursuant to schedule D, section 6 of the bill.

We look forward to details in due course as to how that capital will be made available for our community power projects. Thank you for your attention.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. Mr. Tabuns, you're first up.

Mr. Peter Tabuns: Brian, thanks very much for that. I appreciate it.

In your experience, to what extent has transmission constraint been significant in blocking renewable energy projects from going forward?

Mr. Brian Iler: It's been a huge problem in many places: Manitoulin Island, the whole orange zone, the Grey-Bruce area, around the Bruce nuclear plant—a major problem.

Mr. Peter Tabuns: Has it been bigger than, say, NIMBY resistance?

Mr. Brian Iler: Yes, by far. Now, what we are pleased with is the commitment that we see in this bill to proceed to give flesh to a bare-bones right to connect. There is a right to connect in there, assuming a number of factors are in place, including economic factors, but there needs to be a commitment on the part of the government to provide or ensure enough financing is provided to expand the transmission system to take all the green energy we can generate. That's really the goal, and I think that's the principle that underlines this act.

The Chair (Mr. David Oraziotti): Thank you, Mr. Tabuns. Mrs. Mitchell.

Mrs. Carol Mitchell: Thank you very much, Brian, for presenting today. I don't know how long you were sitting in the corner there listening to all the presentations, but you mentioned specifically this one project in Kincardine. In that area I have two municipalities, and if you were going to do a wind project, you would have one municipality that is opposed to wind development of any kind and you would have a municipality that is in favour of wind development. From your perspective—I know how hard you've worked on community developments of renewable energy—how would you go forward addressing those issues without bringing up the decision of planning to the provincial level? Could you see any other recourse?

Mr. Brian Iler: To be honest, I do not. I think the bill got it right in terms of recognizing that green energy and

the generation of electricity by sustainable means is a provincial priority; and as a provincial priority, we shouldn't have a patchwork of different kinds of decision-making. We need to give a clear signal to the entire province that this is important, that it's important to the province as a whole. So I think the bill got it right in terms of taking some of those powers from the municipality, just as they did with the anti-smoking rules.

Mrs. Carol Mitchell: And with the greenbelt and the—

Mr. Brian Iler: Yes.

The Chair (Mr. David Oraziotti): Thank you, Mrs. Mitchell. Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much, Brian, for joining us this afternoon. The Ontario Sustainable Energy Association is one of the organizations that has received Trillium funding from the province of Ontario to promote green energy and, by extension, the act, as we have seen them in other communities. You're a branch of the Ontario Sustainable Energy Association, as you indicated in your brief. Given that they don't fund groups who oppose the act for various reasons—some of which, obviously, you would disagree with because you're coming from a different position, and we respect that—was that a proper use of funding? Is that levelling the field? Or is that actually supporting people with money to promote the government's agenda?

Mr. Brian Iler: First of all, I'm not here speaking for OSEA. I can tell you from my participation on the OSEA board that, yes, OSEA has received considerable Trillium funding. That funding was earmarked for capacity building, which means helping groups develop the capacity to carry out their projects. The Trillium funding, to the best of my knowledge, was not ever used to finance government lobbying. It was used to finance research, but Trillium funding has very specific program-related activities that don't include lobbying. I think whoever's telling you that is wrong.

Mr. John Yakabuski: Would it suffice to say that those who receive money are sometimes the ones who tend to support those who give them the money?

Mr. Brian Iler: I can't speak for Trillium and I don't really know their granting policies. I'm sorry.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation and for the questions and for all of the presentations today. The committee is adjourned until Wednesday.

The committee adjourned at 1744.

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