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**Tuesday 30 April 2013**

**Journal  
des débats  
(Hansard)**

**Mardi 30 avril 2013**

**Standing Committee on  
Justice Policy**

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

## STANDING COMMITTEE ON JUSTICE POLICY

## COMITÉ PERMANENT DE LA JUSTICE

Tuesday 30 April 2013

Mardi 30 avril 2013

*The committee met at 0831 in room 151.*

### MEMBERS' PRIVILEGES

**The Chair (Mr. Shafiq Qaadri):** Colleagues, I call the Standing Committee on Justice Policy to order. I would invite our first witness to please be seated: Mr. Colin Andersen, chief executive officer of the Ontario Power Authority.

Just before I begin the swearing in through the Clerk, I'll just announce for the committee three areas that we need to deal with. First is just an announcement in terms of information. The third witness for today, after the Premier, Mary Anne DeMonte-Whelan, who I understand was the PC candidate in Etobicoke Centre, accepted to present at 4 p.m. yesterday and declined to present at 7:45 a.m. this morning. So we do not have a third witness, but perhaps the second witness will offer enough testimony to keep us occupied.

Also, Infrastructure Ontario and OPA documents are to be considered—whether we're going to see them privately, release them to the public and so on. We'll deal with that after our testimony—likely in the afternoon.

### ONTARIO POWER AUTHORITY

**The Chair (Mr. Shafiq Qaadri):** With that, I would invite Mr. Andersen, CEO of OPA, to be sworn in.

**The Clerk of the Committee (Ms. Tamara Poman-ski):** Do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

**Mr. Colin Andersen:** I do.

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Andersen. I invite you to begin your five-minute opening address.

**Mr. Colin Andersen:** My name is Colin Andersen. I have been chief executive officer of the OPA since September 2008. I began my career in the public service in 1986, spending most of my time in the Ministry of Finance. I also held positions in the Ministries of Health and Revenue, as well as in Cabinet Office, when each of the three parties was in power. Immediately prior to joining the OPA, I was Deputy Minister of Finance, where I oversaw the production of five provincial budgets.

I have a master's degree in economics from the University of Toronto and an honours BA from the University of Calgary.

At the outset, I would like to say that I have been privileged over the years to work with some really stellar public servants, particularly including the staff at the OPA. They are well-qualified and experienced professionals who take their responsibilities seriously and who have worked hard for Ontarians to cost-effectively secure their electricity needs. I also want to acknowledge the fine folks at finance, for whom this is a special week.

In my opening remarks, I will present a very brief overview of the costs of moving the Oakville plant to Napanee. I can't do justice to the numbers in five minutes, but I'll be happy to answer your questions.

I will also not have time to read into the record my views about the relationship of the OPA with government and some of the issues around document disclosure, but they are included in the text of my remarks, which you have.

The OPA was created in early 2005 to provide expertise in three areas: conservation, procurement and planning.

The relocation of the Mississauga and Oakville plants are two of the most complex files that I have worked on. They entailed a complicated mix of legal, commercial, economic, community and electricity system issues, many of them not seen in this province before.

In the end, the relocations avoided expensive litigation and delivered plants that will meet Ontario's electricity needs for decades, and at commercially reasonable prices.

Projects of this size and complexity have many moving parts, and their costs evolve over time. Estimates are often very dependent on methodology, assumptions and judgment calls. These include assumptions about events that are far in the future: for example, the state of the economy in 2018, the price of gas in 2022 and the industrial demand in southwestern Ontario in 2029. They might also depend on site-specific issues that cannot be known until detailed engineering work is completed. To some extent, it's like a Polaroid picture that takes 20 years to develop. Some parts become clear pretty quickly—turbine costs and monies expended on sunk costs are good examples; some come into focus later.

Clarity of language and common definitions are important to an accurate understanding of the compon-

ents of costs. Sometimes the same exact words, such as “total cost” and “buckets of costs,” have been used to describe different things. I have also seen people shift from using a gross cost number to a net cost number, a nominal number to a net present value number and monies paid to date all in the same conversation.

As part of our due diligence, we have secured an independent third party to review the costs of relocating the Oakville plant. Dealing with uncertainty is an inevitable part of the business of contracting for power. Uncertainty and the use of judgment are why experts with in-depth knowledge are used.

NERA Economic Consulting, a leading global economic and financial consulting firm, was engaged to do this work. The firm chose their own methodology for their review, and their report is in the package I distributed to you today under tab 2.

On page 8 of the NERA report, they provide a summary of costs that includes site-specific and system elements, such as transmission losses and the cost of buying replacement power. They also identify savings, and their current calculation of the bottom line cost to move Oakville to Napanee is \$241 million. I have also included in your package a copy of the OPA’s most recent estimate. Our figures today, using our own methodology, put that cost at \$310 million. I’d invite you to look at tabs 4 and 5 for that.

I guarantee that these numbers will continue to evolve and be debated as more information becomes available and assumptions, discount rates and planning scenarios are developed further.

To keep within the five-minute allotment, that concludes my opening presentation. I urge you to consider the written submission that follows in the text that has been distributed, and I look forward to your questions.

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Andersen. Just before we proceed, I’ll once again announce on behalf of the committee that I received a letter on behalf of the leader of Her Majesty’s official opposition agreeing to testify before this committee—Tim Hudak.

Mr. Tabuns?

**Mr. Peter Tabuns:** When?

**The Chair (Mr. Shafiq Qaadri):** That is probably to be determined still.

**Mr. Peter Tabuns:** Okay.

**The Chair (Mr. Shafiq Qaadri):** Mr. Tabuns, the floor is yours.

**Mr. Peter Tabuns:** Thank you, Mr. Andersen, for being here this morning. Just out of curiosity, when was this report commissioned?

**Mr. Colin Andersen:** We commissioned it about a month ago, I guess. Four to six weeks ago, something like that.

**Mr. Peter Tabuns:** What prompted you to do this?

**Mr. Colin Andersen:** Well, obviously there’s a lot of scrutiny with regard to the costs that were developing, and we wanted—I wanted to collect as much information as we could to help us as we were preparing our own

estimates, and so, roughly a month or so, decided that it would be a good thing to get these folks in to do this. We’ve been using experts along the way, but I thought at that point in time it would be good to get some more information.

**Mr. Peter Tabuns:** And is there any substantial difference in the approach to calculation and reporting from that used by the Auditor General?

**Mr. Colin Andersen:** No, although you would see that there are a few elements that are more pertinent to the Oakville plant than were pertinent to the Mississauga plant. For example, we’ve included estimates of replacement power. So, in many cases the methodology was similar. NERA decided on their own which methodology they would use, and you’ll see that they’ve largely covered off the same components.

**Mr. Peter Tabuns:** Okay. Now, you’ve just given us two numbers, \$241 million—

**Mr. Colin Andersen:** That’s right.

**Mr. Peter Tabuns:** Tell me again what that number is? That’s the NERA calculation?

**Mr. Colin Andersen:** NERA is—theirs is the \$241 million. If you look on page 8 of their report, you’ll see that there’s a disaggregation of the components of that, and that’s under tab 2. Then the OPA equivalent calculation—if you look under tab 4, there’s an accordion fold sheet. You might want to just pull that out and then we can—I can walk you through a comparison of the components, if you want, or—

**Mr. Peter Tabuns:** Yes. If you could do that briefly, I would appreciate that.

**Mr. Colin Andersen:** Okay. It’s actually easier for me to go off our sheet, the Ontario—

**Mr. Peter Tabuns:** That’s fine.

**Mr. Colin Andersen:** —because that’s ours. So that’s the one that’s under tab 4 with the fold-out sheet.

**Mr. Peter Tabuns:** Yes.

**Mr. Colin Andersen:** Starting from the top, there’s some numbers that you’ll see that you’re probably quite familiar with, the turbine costs and the sunk costs. In our sheet, those are \$250 million. In the NERA sheet it’s \$254 million, so pretty close.

The site-related costs, the transmission connection and the gas connection: Those total \$47 million. If you look at the NERA sheet, they’ve got an estimate of about—where was the number?—\$42 million for that. So that’s the connection and gas connection—so, relatively close. They call it reimbursable capital costs, though.

**0840**

**Mr. Peter Tabuns:** Yes.

**Mr. Colin Andersen:** The gas delivery and management: Their number is 350, so they’ve got a lower number than we do. This is a number that we still have a range for. We’ve taken the upper end of the range in ours, so we’re a little more conservative.

**Mr. Peter Tabuns:** Yes.

**Mr. Colin Andersen:** The bulk transmission, the 90 number: Their equivalent number is 88, so that’s transmission.

Higher line losses: They've got 24, whereas we have 32.

They do not have an explicit number broken out for turbine efficiency. These turbines have a capability that means that they have a fast-start capability, but it makes them a little less efficient when they operate over the longer term, so there's a cost associated with that.

The next two numbers that we have, 195 and 539: The equivalent components that NERA used—they actually added those together, so it's 670. We have 195 and 539; they have one number of 670 together. They've put both of those things in.

Replacement power: We have an estimate of 215, based on our latest work. They put that roughly at 153. This is the item that I was talking about that is more relevant to Oakville than it was to Greenfield South.

**Mr. Peter Tabuns:** Right.

**Mr. Colin Andersen:** They elected not to take savings in the last item, where we've got \$50 million, so in the end, their numbers are about \$60 million apart. I guess I would say we would have a more conservative estimate, that being a higher estimate of the relocation costs.

**Mr. Peter Tabuns:** Okay. I'm going to take some time, probably when you're done, to try and absorb all of that.

**Mr. Colin Andersen:** It's a lot to absorb.

**Mr. Peter Tabuns:** But I guess one of the things that's most striking, first off, is that the government has been using the \$40-million sunk cost for a long time, and it appears, even by NERA's more conservative assumptions, that that figure bears no relationship to the reality here.

**Mr. Colin Andersen:** Well, I actually think we're the more conservative in our estimates than NERA. But it's true that the \$40-million number was the one that was used at the time of the announcements because it was the one that was very crystallized, if you will, at that point in time.

What was key in the sentence you just used was the \$40 million in sunk costs, because that's exactly what it describes. It's the sunk costs, which were acknowledged all along as only being a portion of the costs. There were other elements that were noted.

When you go through our chart again, you see that the second category of items—site-related costs—each and every one of those was identified in the MOU, but none of them had a number attached to them at that point in time. To some extent, I've said they were noted as TDB. It meant that we couldn't provide a detailed number at the time, because more work had to be done—detailed engineering work, in many cases—on those.

**Mr. Peter Tabuns:** As you may understand, the government has consistently given the impression that \$40 million was the number and there weren't others.

**Mr. Colin Andersen:** Well, you know, I think language is key on this—

**Mr. Peter Tabuns:** It is indeed.

**Mr. Colin Andersen:** —and \$40 million—talking about it as sunk costs is an accurate depiction.

**Mr. Peter Tabuns:** Accurate, but overly economical with the picture before us.

**Mr. Colin Andersen:** I'm an economist, so “overly economical”—I don't know if that's—anyway, yes, it did talk about a very specific portion of the costs, and other elements of those had to be developed over time.

**Mr. Peter Tabuns:** So would the ministry have been aware of these other cost categories?

**Mr. Colin Andersen:** Well, as signatories to the MOU, certainly they were aware of the other categories. Once the decision was made to move the plant out of the Toronto area, it was well understood that there were going to be system costs associated with that as well, above and beyond those related to the site-specific costs.

**Mr. Peter Tabuns:** And were they aware of the scale of these cost buckets?

**Mr. Colin Andersen:** To some extent. For some of them, we had early estimates fairly early on. The transmission numbers that are on this chart—you may recall that, early on in some of the materials that we've disclosed, there was an estimate of about \$200 million associated with that item. As time has moved along, we've been able to come up with alternative ideas that have resulted in a lower estimate, actually. So that estimate has actually come down. That one would have been well understood.

The others: It would have been orders of magnitude, maybe. In some cases, these costs have come in higher than we originally anticipated. I think it's important to also take into consideration the savings categories that were on the pages there as well. We're continuing to do our estimates on those as well. All of the elements would have been generally understood, yes.

**Mr. Peter Tabuns:** So when ministers sign off on these documents—sign through the province, on the MOU—

**Mr. Colin Andersen:** The deputy minister signs, but the minister ultimately approved the element—the entire deal.

**Mr. Peter Tabuns:** And had a sense of the scale of what Ontario was being committed to.

**Mr. Colin Andersen:** Certainly knew that there were significant costs that were to come later. He and I had a discussion, right at the outset, with regard to the fact that these were going to be complicated discussions. We were talking on the Thursday right before things wrapped up on Monday, and I had said to him, “If we're going to get this all concluded by Sunday or Monday morning, there will be things we won't have had time to do the due diligence and TransCanada won't, so there will be loose ends that will have to be sorted out.” I said, “For sure, the numbers are going to change. We also have to prepare for the possibility that—we could probably only get an agreement in principle, which ultimately resulted in an MOU, but the deal itself could fall apart once everybody had a chance to do more of the detailed work.” There was a reason why there was a three-month separation between signing the MOU and ultimately the contract in December.

**Mr. Peter Tabuns:** So by the time the contract was signed three months later, did you have a firmer sense of the numbers?

**Mr. Colin Andersen:** On some. The GD&M costs that were there—the gas delivery and management—were numbers that continue to evolve, and they're subject to a lot of things.

Just last week, the National Energy Board came down with a ruling. We're not actually sure whether that's going to increase or decrease these estimates. Circumstances happen as you move along.

What we tried to do was mitigate the risks associated with those. The idea behind some of these elements was: We were taking on responsibility for them if they were directly related to the relocation, and if it was something that wasn't really in TransCanada's ability to deal with. But we always tried to tie it to either further detailed work that could be verified by somebody: a mutually agreed-upon gas management plan and energy rates that are at the OEB. Essentially, it's a cost pass-through; something like that.

In some cases, we got some reflection in the NRR, which is the monthly payment that they're paid. Where we could, we tried to mitigate some of those uncertainties by tying them to things. But as I said, some of these things are quite contingent on events that haven't happened and won't happen for 20 years. Gas demand, how the economy goes, what the electricity demand is: All of those things feed into the delivery costs and the management costs and things like that.

**Mr. Peter Tabuns:** But just to go back, though: By the time the final contract was signed, it would have been apparent to you and to the government that \$40 million was not going to cover all of the relocation costs?

**Mr. Colin Andersen:** We always knew that \$40 million was the sunk costs portion and that there were other elements to that. Those were identified in the MOU. At the time of the signing of the contract, some of those might have started to materialize in a little bit more of a form numerically—when I talked about the Polaroid developing, for example. Some of them, like I say, are still developing even today.

**Mr. Peter Tabuns:** On another line of questioning: How were you informed that the Oakville gas plant was going to be cancelled? Were you told before or after June 2010?

0850

**Mr. Colin Andersen:** June 2010—well, we were working on the RFP process, so the RFQ, the RFP, keeping in close contact with the ministry at each step of the way. Then we awarded the contract, and then—I think the ministers changed probably around that time as well. Once the contract was signed, I think it's safe to say that the community opposition ramped up even more, and so, with the new minister, he asked questions about where are we at and what things. The decisions to actually cancel the plant were taken, as far as I know, in late September, early October, but we were getting questions, from the outset I would say, with regard to possibilities,

off ramps, what situation are we in—those kinds of things.

**Mr. Peter Tabuns:** Were you aware that the Premier's office was negotiating around you with TransCanada?

**Mr. Colin Andersen:** Well, we were aware that they were having meetings with others; I mean, it's not an uncommon practice. We were in contact with TransCanada as our contract counterparty as well, and so people could see that there was discussion starting to have about, "Okay, well, what might another possibility be then, moving forward with this plant in this location?"

**Mr. Peter Tabuns:** Why was the decision made to split costs of the relocation between rate base and tax base?

**Mr. Colin Andersen:** Well, again, at the outset on both of the plants I had talked with my board about the fact that this decision was made by the government and which of the costs were appropriate for the ratepayer to pick up versus which were the costs that were appropriate for the taxpayer to pay because of the fact that this was in fact a government decision not to go forward with the plant. So, early on, I had talked to Minister Bentley in the one case about the fact that while we couldn't necessarily decide on the split between the ratepayer and taxpayer, this was a principle that I felt—and that my board agreed with me—was an important one to have a discussion about later.

There are different ways to look at this, because one plant was already partially constructed, so it had a lot of money in the ground already. The other one—you know, there were less costs that had been provided, but there had been those discussions with the Premier's office about keeping them whole, and so that could have some ramifications for the ultimate value down the road.

**Mr. Peter Tabuns:** Let me go back to that point you just made. These discussions with the Premier's office about making them whole: Was it your understanding that the Premier's office was holding out to TransCanada that, "We will make you whole; you will not suffer from this deal"?

**Mr. Colin Andersen:** Yeah, well, there was a lot of discussion right around the period—the October 5 to 7 period. So they came back and told us that there had been these discussions, that the decision had been made and an announcement was actually scheduled on the 7th or 8th—I can't remember the exact date that the plant was going to be cancelled—and that one of the conditions that TransCanada had for supporting that announcement was that it needed to get something in writing. So the Premier's office handed that over to us to put it in writing because we were the legal counterparty. There are numerous drafts of these letters evolved over time, and then ultimately I signed and sent a letter on the 7th.

**Mr. Peter Tabuns:** So you were effectively told that you had to meet this condition of keeping them whole?

**Mr. Colin Andersen:** No, I wouldn't put it that way. I would say that that was an expectation that this announcement was going to go forward, that TransCanada

would be supportive of it, and understandably TransCanada would want to know—to get something in writing. The understanding was that everybody was interested in moving forward with a negotiation to relocate the plant. That was the idea right from the get-go. However, it being a legal document, when you get the lawyers involved, they always are thinking about, “Okay, what if everybody’s intending for outcome A, which is to relocate a plant, but what happens if those negotiations aren’t successful, and how do we make sure our interests are protected?” That goes for the TransCanada lawyers as well as for the OPA lawyers. It did involve a pretty extensive back-and-forth on the drafting of those letters.

**Mr. Peter Tabuns:** When you dealt with deputy ministers and ministers, were you forthcoming about the risks and costs that you saw from the courses of action they were taking?

**Mr. Colin Andersen:** Are you talking about something specific? That is generally my practice, yes.

**Mr. Peter Tabuns:** Sorry. Talk about Oakville first, and then I can ask—

**Mr. Colin Andersen:** Sure.

**Mr. Peter Tabuns:** You weren’t holding things back from them.

**Mr. Colin Andersen:** Oh, no, I wasn’t holding things back. In many cases, I was saying that we don’t have access to all the information that I would be comfortable with in moving forward at this point in time. In many cases, I did ask for more time and was hopeful of access to more information, but they had timing concerns of their own—in some cases, deadlines that they set for us. Deadlines can sometimes be very helpful in negotiations. Certainly I would feel that I was forthcoming on the risks, yes.

**Mr. Peter Tabuns:** So you let them know risks and costs.

**Mr. Colin Andersen:** That’s right, to the extent that we could, because we couldn’t always attach a specific number to some of these kinds of things.

**Mr. Peter Tabuns:** And you did the same with the Mississauga plant.

**Mr. Colin Andersen:** That’s right, yes.

**Mr. Peter Tabuns:** When the former Minister of Energy signed off on Mississauga and reported that \$180 million was the cost, you were aware that you’d spent closer to \$245 million or more?

**Mr. Colin Andersen:** This is going to be a—

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Tabuns.

**Mr. Colin Andersen:** We need more time on that one.

**The Chair (Mr. Shafiq Qaadri):** Just before I pass the floor to the government side, I’d just like to acknowledge the presence of Shannon Dean, the senior parliamentary counsel of the Legislative Assembly of Alberta, from Edmonton, who’s here to see the extraordinary work of the justice policy committee of Ontario.

Mr. Del Duca, 20 minutes.

**Mr. Steven Del Duca:** Thanks very much, Mr. Chair. Thank you, Mr. Andersen, for being here with us today. I

want to begin by talking to you about a letter that I believe our Clerk is passing out right now. It’s a letter that you wrote to this committee requesting an additional 30 minutes for your opening statement back on April 24, and I believe you asked for that so that you could provide a detailed walk-through of the cost components. I think you might also know that our government put forward a motion last week to have you testify on April 24—to allow you longer than the standard five minutes for your opening remarks.

We are committed to being open and transparent. The Minister of Energy asked the committee to invite you to testify as soon as possible to share your estimates on longer-term costs and savings associated with the Oakville relocation. Unfortunately—and, I guess, surprisingly, from my perspective—the opposition voted that motion down.

Would you agree that your request for a longer opening statement was in large part because of the technical and complex nature of the calculations and the desire you had to provide us with as complete a picture, or as comprehensive a picture, or an opportunity for explanation? Would you agree with that?

**Mr. Colin Andersen:** Yes, I would certainly agree with that. It’s probably the former Deputy Minister of Finance in me coming out. A lot of attention has been paid to these numbers. There’s a lot of complexity behind them. A lot of these numbers individually have detailed spreadsheets that support them. The auditor, when they were in to do their review—it took them four or five months to get up to speed on some of these things. The negotiations themselves around these plants took two years for the Oakville plant, just because of the complexity of them.

I was concerned that I wasn’t going to be able to do the numbers justice. Given all the attention that gets paid to them, I had offered to provide a more detailed walk-through of them, but I’m in the hands of the committee.

**Mr. Steven Del Duca:** Right. Thank you.

You’ve mentioned both in your opening and again right now that you’re a former Deputy Minister of Finance, former Deputy Minister of Revenue, and I think you mentioned at the outset that you have a master’s degree in economics, so it’s fairly safe to say that you’re pretty good with numbers and accounting?

**Mr. Colin Andersen:** Yes. Well, I try.

**Mr. Steven Del Duca:** Okay, great. So the auditor—I’m sure you know this; I know you know this—the Auditor General has come out with his estimates on Mississauga, and his numbers are different from those which were released by the OPA. I know you’ve spoken to this already, but I just want to make sure that it’s extremely clear for all of us: This does kind of speak to the complexity of the situation, that these are not simple calculations, estimates; it’s incredibly complex, this entire process. Is that fair?

0900

**Mr. Colin Andersen:** That’s right. We agree with the auditor’s assessment on all areas except for one, and it’s

a respectful disagreement. He acknowledged it in his report. We had good discussions, including me personally, with him about the one element, which is how much of the savings associated with the plant going forward later should be recognized. But all the other components of the report we agreed with.

**Mr. Steven Del Duca:** So with respect specifically to the Oakville costs, in terms of the costs associated with relocating that plant, we know that the government did rely on the OPA's approach when it announced the original costing figures. I'd like to table the OPA's backgrounder from September 24, which I think is being passed out right now, which clearly does state that the OPA was paying for the cost of the gas turbines as well as the gas management, but that there would also be a significant savings from a lower net revenue requirement. Do you stand by the information that you provided to the public in the September 24 OPA document?

**Mr. Colin Andersen:** Yes, we stand by that. Again, there are key phrases that are in here in the descriptions, right? And it talks about items that are repurposed; there are items that cannot be reused. This focuses on the costs that are very specific to the gas plant itself, the site-specific, so it doesn't take into consideration some of the other elements with regard to the transmission upgrades and some of those kinds of things, although those were in the public domain and well understood—that those kinds of costs would be there.

Some of the other costs associated with the savings and the replacement power costs: Some of those kinds of things we've developed over time. So this was a depiction of the sunk costs associated with the project at that point in time.

**Mr. Steven Del Duca:** And the numbers you have provided to the committee this morning with respect to Oakville: Those are your latest, most recent estimates, is that correct?

**Mr. Colin Andersen:** That's right. The other thing I should point out is that this is a backgrounder that accompanied the full release of the contract and the MOU that had all of the other elements, and I think it's safe to say that—because of some of the confusion that came out after the Greenfield, we had felt that putting out as much of the deals themselves was going to be a good practice, even though they're very complicated legal documents, but putting—it's not a common practice to actually do that, but we had said from the outset—I had said from the outset with TransCanada, "You're not going to like this, but be prepared. I'm going to insist that we put all of this stuff out when the deal is signed in all its detail."

**Mr. Steven Del Duca:** I think you said this in your opening statement, but is it fair to say that these numbers continue to be in a bit of a state of flux?

**Mr. Colin Andersen:** Yes. When all is said and done, probably in 2038—that's the only time when you're finally going to be able to have an estimate, and I would venture a guess that even at that point in time, you could still debate some of the numbers based on your assump-

tions about not only events that did happen but events that ultimately didn't happen, because that becomes your comparison point, in some cases, for these costs.

**The Chair (Mr. Shafiq Qadri):** For all members of the committee, I invite our guests, the press and anyone in this room to allow the witness to continue his presentation and minimize the background chatter. Thank you.

**Mr. Steven Del Duca:** Thank you, Mr. Chair.

In our package today, the committee received a document dated March 20, which we have here as well, separately, which we'll table with the Clerk, but it was in the package today from what I understand. In that March 20 document from the OPA, it states that the estimates for the cost for the Oakville relocation to be between \$33 million and \$136 million. You might already have it, but if not, you're going to get it in a second. I just wanted to clarify. Did you provide that document to the Ministry of Energy?

**Mr. Colin Andersen:** This is a document—it wasn't in the package that I gave you today. This was an estimate that we had provided to the Ministry of Energy on the date that's noted on that particular page, so about a month ago. And you'll see, when you compare that chart to the chart that I've provided today, that there are elements that we've since determined that we think are appropriate to include in the mix. I can walk you through those, if you'd like.

**Mr. Steven Del Duca:** On that point, though, this is a document from only four weeks ago, and you just mentioned a second ago that you've included some things, that things are moving around, that this entire calculation or estimate process is something that continues to move and be in a state of flux. But at that time four weeks ago, according to the March 20 document, you believed the relocation cost could potentially be as low as \$33 million.

Again, not to repeat myself, but I think it's important: The fact that this moves the way that it does over such a short period of time really does sort of reinforce the notion about how complex this entire process is. It's not straightforward; it's not simple.

**Mr. Colin Andersen:** Exactly. It's very complicated, very complex.

**Mr. Steven Del Duca:** Looking back to the September 24 OPA backgrounder, it's clear, I think, that beyond the \$40-million sunk costs, there were going to be some additional costs and also some additional savings. On that score, it is fair to say again that the numbers are changing regularly. If so, why is that the case?

**Mr. Colin Andersen:** The numbers are developing, or they're evolving, and that's because you make your estimates based on the information that you have at the time. When the decision was made to move the plant from one location to the other, we endeavoured to use as much of the old plant as possible in the new location. But it did mean, in many cases, that significant parts of it had to be reconfigured. Engineers had to get involved to redesign. The connection costs to the electricity system, to the water system—a lot of those things had to be developed.

The Lennox site was really—we were really coming down to the choice of that particular site versus alternatives that were under consideration right around the time of the MOU. TransCanada hadn't had time to do their on-site due diligence with OPG, for example. They hadn't had the opportunity to talk to the gas distributors in the area, the franchise folks. So those were going to be discussions that were going to actually take a whole committee of people to develop a gas management plan. These aren't the kinds of things that can be developed in a few days, let alone a few months. Those kinds of things had to follow suit from the MOU.

**Mr. Steven Del Duca:** Thank you for that. So we have varying estimates that have been produced. We've talked a lot about the complexity of the calculations, and even today, we have a new number from the OPA. We also have the NERA report, which shows, as you pointed out, that there's still a bit of a differential there, depending on the approach and everything else. This is a very complex situation.

From your perspective, given all of that, do you believe that it makes sense for us to wait for the Auditor General's report on Oakville?

**Mr. Colin Andersen:** What do you mean by "wait for the Auditor General's report"?

**Mr. Steven Del Duca:** Well, wait before jumping to any conclusions. We know the Auditor General's report is coming. Would it not make sense—I mean, for example, in your February press conference, you did state that "it's probably best to ... see ... what" the AG's "report has to say." Would that not be the most responsible thing?

**Mr. Colin Andersen:** I was talking about the Greenfield plant, and the auditor's report was about to come out, and there's a lot of scrutiny and debate about the numbers. Opinions can change over time, because some of these numbers involve judgment calls and debates back and forth. I think that's exactly why you want to rely on experts—people who have lots of experience in these areas.

It's why we chose NERA. They do this kind of work all around the world for all kinds of different, very well-regarded bodies. They have their opinions about some of this. The OPA can add its more in-depth knowledge of the Ontario experience, and we can add our own value to that with regard to whether we want some of these estimates to be a little more conservative or not reflect in the realities that are here.

And then, of course, the auditor will also take a perspective. I think when he was doing the Greenfield one, he talked about the fact that when he was originally asked to do the Greenfield audit, he was asked to look at it from the taxpayer perspective, but he decided that a broader approach, to add in the ratepayer perspective, was the way that he wanted to go, and that's what he did.

0910

**Mr. Steven Del Duca:** Thank you for that.

Moving to the Mississauga costs—the Mississauga relocation—we know that the government relied on the

OPA's approach when it announced its original costing figures on Mississauga. What I've just tabled is an email that you sent to the Minister of Energy's chief of staff and the deputy minister back on July 13, 2012, three days after Minister Bentley announced the agreement to relocate the Mississauga plant to Lambton.

The email states:

"As discussed previously we were relying on the OPA to provide the accurate and complete calculations of relocation costs. The relocation costs and the breakdown that were provided is what we are assuming is still correct.

"Can you pls confirm and double check the calculation to ensure that [the] 180 remains accurate."

You replied:

"The OPA stands by the \$180m figure, which reflects monies expended. It reflects costs as we know them."

Would you agree that the government depended on the OPA to provide cost details on the Mississauga relocation?

**Mr. Colin Andersen:** Yes, they did. We provided the government with a lot of information right around the announcement. As I said before, these are complicated numbers to explain. For Greenfield, it was further complicated by the fact that this was a plant that was partially constructed already. So there were monies that went out the door, some of which could be repurposed and some of which could not. We provided the government with our information about expenditures to date related to the plant, which were in fact about \$325 million—I'm getting a little bit into what Mr. Tabuns was asking about.

The information we had provided to the ministry at the time was pretty detailed accounting, so to speak: a lot of gross expenditures, repurposed stuff netted out, and then it talked about net costs that could not be repurposed. The feedback we got from the ministry was that this was too complicated—very detailed—and that they wanted to take a crack at providing a simpler way of putting out these numbers. So we worked with them on that. Some of the elements that we had suggested be in the backgrounders ultimately didn't end up there, but we do stand behind, and continue to stand behind, the \$180-million figure that is there, because it does reflect the net costs that cannot be repurposed in the plant.

That's a pretty lengthy description. Unfortunately, it sometimes gets short-formed by people to the words "total costs," which isn't the best way to actually describe that. But you don't always get the chance to give the full, lengthy description of what we're talking about, because you need a spreadsheet to go along with it.

**Mr. Steven Del Duca:** Right. In the Auditor General's report on Mississauga, the OPA states that "adding in system-related costs for bulk transmission and line losses largely accounts for the difference in relocation costs reported in the audit."

Similarly, the report states that the OPA "respectfully disagrees with the audit's conclusion that only recognizes 75% of the savings for deferred NRR payments."

I think you've said up until now; I just want to make sure that it's clear: There was a different approach on the part of the OPA—between the OPA and the auditor—with respect to estimating both costs and savings.

**Mr. Colin Andersen:** Yes, for everything except for that one area, where we respectfully disagreed with the auditor. Again, it was a judgment call, so it was only on that one element that we felt we had a disagreement.

**Mr. Steven Del Duca:** In terms of the complexity of the negotiations—we've said over and over again, and you've made sure we understood clearly how complex this entire process was—I think it would be fair to say that one of the things that added to the complexity was the need to maintain some kind of positive relationship with the proponents, because if those positive relationships weren't maintained, there was certainly a threat of litigation. Is that correct?

**Mr. Colin Andersen:** Yes. We were thinking about the contract holders we were dealing with, but also very top-of-mind for myself and my board was the impact this could have on future contract deliberations, not only for the kinds of contracts the OPA is looking at, but the kinds of contracts that other parts of the government, Infrastructure Ontario and those—you want to have investor confidence in this province.

Governments have the right to change their minds, and in some cases we expect them to do so, but I think it's also important that when those circumstances happen, everybody sees that people are treated fairly, that the contract holders are treated fairly. We were looking to get value for ratepayers as well. So those are all considerations very specific to these bodies, because TransCanada is an important part of the electricity mix in this province—this isn't the only contract that we had with them—and likewise, it was important to keep a good relationship with Greenfield, because we knew that at least for the next 20 years, we'd have an ongoing relationship with them.

**Mr. Steven Del Duca:** Thank you very much for that.

With respect to the whole course of the negotiations that took place, I would imagine there were probably a number of back-and-forth situations, like any other negotiation. So far in this process, the opposition has been very interested in a supposed \$712-million offer made from the OPA to TransCanada on April 21. When Chris Breen was here and was asked about this offer, he replied: "The offer that I'm aware of is Colin Andersen's letter to Alex Pourbaix proposing that we go ahead and build a peaking natural gas-fired plant in the Kitchener-Waterloo area." So in fact, the supposed \$712-million offer wasn't some sort of blank cheque the OPA was prepared to write to TransCanada, with zero power produced, but rather, it included the value of a new power plant; is that correct?

**Mr. Colin Andersen:** That's right. Over the time, we were talking about a number of different plants, in some cases, in different locations; in some cases, it was actually a package of plants or other things that could essentially get TransCanada equivalent value of one sort

or another. In the end, a like-for-like project was what we were striving for, because that was most easily—

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Del Duca.

To the PC side: Mr. Fedeli.

**Mr. Victor Fedeli:** Thank you, Chair.

Mr. Andersen, Mr. Del Duca handed a document out that talks about the OPA giving the government the number of \$180 million and sticking to it. The government blames you. The government has thrown you under the bus. They've said, "We trusted the OPA's number." How do you feel about the government sticking to that?

**Mr. Colin Andersen:** I think what they've said is that they relied on OPA numbers, and that's true. We did provide them with the numbers. That is what you would expect. We provided them with a lot of numbers. The numbers are very complicated, and they can't be distilled down into easy-to-communicate elements. There are a number of different, quite technical, terms here: gross numbers, net numbers, things that can be repurposed, things that can't—

**Mr. Victor Fedeli:** Ratepayer, taxpayer.

**Mr. Colin Andersen:** Ratepayer, taxpayer. There are a number of different perspectives that you can take when you're looking at these numbers. As I said in my statement, I have actually heard people using the same words when they're actually talking about different things, sometimes without even realizing it.

**Mr. Victor Fedeli:** So you also say you disagree with the auditor, that you stand behind the \$180 million, even after the Auditor General says it's \$275 million, and you talk about it basically being the NRR calculation, where they view it one way and you view it another. You're sticking with the—

**Mr. Colin Andersen:** No. What I said was—

**Mr. Victor Fedeli:** But you said you stand behind the \$180 million, even after—

**Mr. Colin Andersen:** What I said was that we agree with the auditor on everything except for one component—

**Mr. Victor Fedeli:** So you disagree with the auditor?

**Mr. Colin Andersen:** —and the one component is the amount of savings that were recognized. He recognized 75% of the savings; we felt it was appropriate to recognize 100%. So when all is said and done, we would have said our number would have been roughly in the \$250-million zone, when you take into consideration the transmission losses and the rest.

**Mr. Victor Fedeli:** But not \$180 million?

**Mr. Colin Andersen:** We still stand behind the \$180 million number of costs that can't be repurposed. Some of those numbers evolved over time, but they're still pretty close. The auditor ascertained that those pieces of it are still pretty much the same, but he did also add in, from the ratepayer perspective, the system costs. We agree with those costs. In many cases, those are ones—

**Mr. Victor Fedeli:** So you and the auditor disagree basically on the savings area?

**Mr. Colin Andersen:** That's right; just the one element.

**Mr. Victor Fedeli:** That's where you and the auditor disagree. Okay.

**Mr. Colin Andersen:** Just the one element.

**Mr. Victor Fedeli:** So let's go to your document that you supplied today with the Oakville relocation costs, spreadsheet number 4.

I just want to talk about the costs for a second.

0920

You've got "Payments made to TransCanada" that total \$250 million. You've got "Future site-related costs," which are "Transmission connection," the "Gas Delivery & Management," \$453 million. You've got future costs on the transmission line losses, \$176 million, and you've got "Replacement power" from 2017-18 of \$215 million.

So what you're telling us here is that the total cost to relocate Oakville is \$1.1 billion, less any savings. Is that accurate?

**Mr. Colin Andersen:** Before you take into consideration some of the savings—

**Mr. Victor Fedeli:** We'll get to the savings in a minute.

**The Chair (Mr. Shafiq Qaadri):** Mr. Fedeli, might you allow the witness to answer?

**Mr. Victor Fedeli:** Well, I've only got 20 minutes, Chair.

**Mr. Colin Andersen:** Our best estimate today is that the relocation cost is \$310 million.

**Mr. Victor Fedeli:** Let me just rephrase, then: \$250 million, plus \$453 million, plus \$176 million, plus \$215 million. Does that equal costs of approximately \$1.1 billion that you've outlined in here?

**Mr. Colin Andersen:** To get to the total relocation cost you do have to add in those savings.

**Mr. Victor Fedeli:** I'm asking a simple question, a simple math question: \$1.1 billion, less any savings, is that accurate?

**Mr. Colin Andersen:** Well those numbers do add up, but you do need to take into consideration the savings.

**Mr. Victor Fedeli:** They add up to what? Those numbers add up to what?

**Mr. Colin Andersen:** I'm not going to—

**Mr. Victor Fedeli:** Add four numbers?

**Mr. Colin Andersen:** —do the math right here on the spot.

**Mr. Victor Fedeli:** I'll add them for you. It's \$1.1 billion, less any savings. So let's talk about the savings, then. You—

**Mr. Colin Andersen:** It's the phrase "less any savings" that is actually muddling things a bit, but yes, \$310 million is the number that we feel is the appropriate number to talk about today.

**Mr. Victor Fedeli:** You and the auditor disagree on savings a lot of times. On page 22 of the auditor's report—you estimate savings of NRR and the auditor estimates different savings of NRR. The auditor's is the number that we, along with the former energy minister—he says he respects and will live with the numbers from the auditor. Let me quote from him. He goes on to talk about you formulate it and how he formulates it: "Given

these uncertainties, we have included estimated savings of about three-quarters of" the number of the OPA.

**Mr. Colin Andersen:** That's right.

**Mr. Victor Fedeli:** That's correct.

**Mr. Colin Andersen:** He included three quarters of the savings. We felt it was more appropriate to include the whole amount.

**Mr. Victor Fedeli:** So it's three quarters. He believes three quarters of the number.

On page 23: He's now on the Greenfield savings where this would be money that the company gets to keep. He says you underestimate that. He says, "We estimate that Greenfield will save \$65 million.... The OPA told us it was aware of these savings" but they estimated it at only \$36 million. Your number and the auditor's number again are almost off by 100% in that particular case. Do you disagree with the auditor?

**Mr. Colin Andersen:** Well, that number that you're talking about actually was monies that were left with Greenfield, so it doesn't factor into the calculation.

**Mr. Victor Fedeli:** What it factors into is the—

**Mr. Colin Andersen:** It was a factor in the negotiation. There are a number of gives and takes; not everybody gets everything that they want. We were basing our assumptions on the best information that we had at the time. We assumed, for that one in particular, that Greenfield had undertaken a particular financing arrangement for that. It turned out to not be the case, and the auditor—

**Mr. Victor Fedeli:** At the end of the day, the auditor found it important enough to put in his report as "Other benefits to Greenfield." It doesn't come into the cost to the government, the taxpayer or the ratepayer, but it was a saving to Greenfield. He says your estimates are off almost by 100%. He picks 75%, or three quarters of one estimate, and he picks 100% of the other.

**Mr. Colin Andersen:** Well, you know, I would say that it's important. You have to look at all of these elements together—

**Mr. Victor Fedeli:** Well, let's look at one more element.

**Mr. Colin Andersen:** You can't just pick one item in isolation. You have to look at all of them.

**Mr. Victor Fedeli:** Well, it's the two that he talks about. You've only got four items in your estimate here that are savings. We're going to talk about the validity of those savings.

**Mr. Colin Andersen:** We have accepted the auditor's position on a number of these. In some cases our estimates were a little bit above; in some cases they were below. When all is said and done, really, the only substantive area that we feel where we disagreed with the auditor was on the recognition of the savings—

**Mr. Victor Fedeli:** Of savings, so let's talk about the savings that—

**Mr. Colin Andersen:** —so our estimates would be roughly in line with his as well.

**Mr. Victor Fedeli:** So you would admit, then, that your savings numbers are speculative?

**Mr. Colin Andersen:** Well, for areas where we know and can verify, sometimes by an auditor and sometimes by an independent engineer, we've got a really good sense of what those numbers are, and no, they're not speculative. For others, there are—

**Mr. Victor Fedeli:** So the auditor says you're off by 100% on one, and he picked 75% of your other number. Let's look at document number 2, down at the bottom here.

**Mr. Colin Andersen:** There are judgment calls, yes.

**Mr. Victor Fedeli:** This is a document where—well, we'll get to that a little later, actually. Maybe we'll go to document 8 here. We'll go to document 8, the fourth paragraph. "They have indicated"—

**Mr. Colin Andersen:** Sorry. Which is the document that you're—

**Mr. Victor Fedeli:** PC doc 8; it's the second-last sheet. This is a letter from the Ministry of the Attorney General: "They have indicated that the problem is that Colin Andersen at OPA"—this is John Kelly from the Attorney General's ministry—"is being very confrontational and that he and whoever is advising him doesn't know anything about the proper calculation of damages."

Would you characterize that as accurate?

**Mr. Colin Andersen:** No.

**Mr. Victor Fedeli:** Okay.

**Mr. Colin Andersen:** I would say that in any negotiation, particularly one that is taking longer than people were hoping it would take, it's not surprising that people on either side of a negotiation would take very strong positions.

**Mr. Victor Fedeli:** They were on your side, by the way.

**Mr. Colin Andersen:** TransCanada equally took —

**Mr. Victor Fedeli:** That's your team. Team Liberal.

**Mr. Colin Andersen:** —very strong positions. The people on my team—we relied on outside experts as well to help us—

**Mr. Victor Fedeli:** Look, I've only got 20 minutes, Mr. Andersen. I want to get to your savings here.

**Mr. Colin Andersen:** —so we do have lots of information that we rely on.

**Mr. Victor Fedeli:** Let's get to the savings that you list here. So it's \$1.1 billion in cost, less any savings. The first savings you show are for the reduced monthly payments of the NRR. The NRR, it says here, was reduced from \$17,277 to \$15,200.

Under sworn testimony from JoAnne Butler, she says the average NRR was under \$13,000. Would you acknowledge that? How can a savings from \$17,000 to \$15,000 be a savings when the average is \$13,000? Would you care to take one minute to talk about that?

**Mr. Colin Andersen:** Well, you're talking about—

**Mr. Victor Fedeli:** I'll give you one minute on that.

**Mr. Colin Andersen:** You're talking about a number of things there. The \$13,000 number that she was referring to is the average NRR for our gas fleet, contracts of which were engaged over a long period of time. Some of the older contracts came in at a much lower

number. The more recent contracts, that are reflecting current market conditions, come in at higher numbers. So the average is roughly the number that she talked about.

**Mr. Victor Fedeli:** Okay. Thank you. I want—

**Mr. Colin Andersen:** The \$17,000 to the \$15,000 is very specific to the Oakville plant itself—

**Mr. Victor Fedeli:** I can see that.

**Mr. Colin Andersen:** —and there is a savings associated with that.

**Mr. Victor Fedeli:** There would be a savings to go from \$17,000 to \$15,000. Sadly, the average is \$13,000.

The next number is a \$539-million saving. That's savings from starting payments later.

**Mr. Colin Andersen:** Right.

**Mr. Victor Fedeli:** So this is \$539 million. This is where the auditor and you are likely going to tangle some swords—

**Mr. Colin Andersen:** That remains to be seen.

**Mr. Victor Fedeli:** —as well as that \$195 million.

So it says here, "This ... assumes that the contracted commercial operation date ... for OGS"—the Oakville generating station—"would have occurred. If a later COD is assumed, then the savings are reduced, but the estimated cost of replacement power may also be reduced."

You're claiming it's \$1.1 billion of costs, less any savings, and here's \$539 million you're going to save from starting the payments later. Can you take one minute and explain that?

**Mr. Colin Andersen:** A good starting point is the contract that we had in hand that said the contract was going to come in place in 2014. As previous people in front of this committee have talked about, everybody on both sides of the contract was moving forward to meet their obligations. The government had a number of different tools at its disposal to consider, whether litigation, legislation or otherwise.

Once the government made the decision to relocate the plant, though, a lot of what we're talking about here becomes a bit speculative, because we're talking about futures that were no longer going to happen, and it will continue to be a matter of debate.

For me, going back to a legal contract that we had, that had specific milestones, is a legitimate starting point. The very real fact that the new plant is going to come into existence five years later—there is a time period there where we will not be spending money.

However, in our judgment, we also feel that for the last two years, 2017 and 2018, we are going to have to go out and buy replacement power services. We didn't have to do that for Greenfield. We do feel that we're going to have to do it for Oakville. Those are also going to be significant costs, and we've reflected those in our estimates today.

**Mr. Victor Fedeli:** But given that logic—you know, I'm going to save a quarter of a million dollars today because I'm not going to go out and buy a Ferrari before lunch. That's a quarter-billion; I'm feeling pretty good that I'm saving that.

0930

**Mr. Colin Andersen:** It's not the same thing, though.

**Mr. Victor Fedeli:** Let's go to your future potential savings: \$374 million. There's no explanation to it—just future potential savings of \$374 million.

**Mr. Colin Andersen:** That's just a subtotal for the category.

**Mr. Victor Fedeli:** So now we've got \$1.1-billion cost, less any savings—savings of \$195 million from NRR—we know the auditor does not agree with your valuation methodology—and you've got \$539 million—\$50 million, actually, was the number I was looking at, in estimated replacement power. So you've got—

**Mr. Colin Andersen:** I actually disagree with that. The auditor did, in fact, recognize this element in his report—

**Mr. Victor Fedeli:** Yes, three quarters of your estimated—

**Mr. Colin Andersen:** He did recognize this methodology. Where we had a disagreement is in the amount. This element—in fact, the way I've laid out the numbers today, I tried as much as possible to put them in the same kind of categories that the auditor used for ease of comparison. The one that you're talking about: Very specifically, the auditor also had that reflected in the Greenfield. We just disagreed, because it's a judgment call, on the proportion of the savings that were recognized.

**Mr. Victor Fedeli:** We'll have to wait and see, then, what the auditor has to say about your cost estimates, your assumptions and your future potential savings. So at the moment, we're—

**Mr. Colin Andersen:** That's the point of having an audit done.

**Mr. Victor Fedeli:** —we're at \$1.1 billion to cancel the Oakville plant, less any savings.

**Mr. Colin Andersen:** As I said in my opening statement, a lot of these numbers are specific; they can be verified by independent engineers. Roughly, the top portions—

**Mr. Victor Fedeli:** We'll look forward to that.

**Mr. Colin Andersen:** —of the pages: That's what they talk about. A lot of the rest of them are subject to assumptions about events that haven't happened yet and won't happen for another 20 years.

**Mr. Victor Fedeli:** Is the detailed design and engineering work done on the new Oakville plant?

**Mr. Colin Andersen:** Some of it, but not all of it. It continues right up until the time that the shovels go into the ground—and beyond, frankly.

**Mr. Victor Fedeli:** In JoAnne Butler's letter to this committee of April 9, which we all received, she says that detailed design and engineering work needs to be complete before some of these costs can be accurately quantified.

**Mr. Colin Andersen:** Yes.

**Mr. Victor Fedeli:** Do you agree?

**Mr. Colin Andersen:** Yes.

**Mr. Victor Fedeli:** Yet you are providing another set of numbers today.

**Mr. Colin Andersen:** We haven't provided the ranges that are associated with this, but, again—and it may not be a perfect analogy, but the Polaroid analogy: Some things start to become clearer as you move along and you get to do some of the detailed engineering work. I think it's a common practice that you start to get estimates that are plus or minus 25%, for example, and then you narrow those down as you get to the actual point where you've got shovels in the ground. So it is an evolving process. Numbers firm up over time.

**Mr. Victor Fedeli:** The auditor in his report didn't buy your savings projections for Mississauga, so why should we believe these now?

**Mr. Colin Andersen:** He recognized 75% of the savings that were there. That's a very significant component. We actually had discussions with him at the outset. He was thinking that maybe a lower percentage might be appropriate, and after we had discussions with him, we were able to say, "No, we think that there's another legitimate way to look at this," and he ultimately upped his number to 75%. We weren't able to get him all the way to 100%, although we feel strongly that 100%—and we still feel—we felt strongly enough to disagree with the auditor. You don't disagree with the auditor—you don't take that lightly.

**Mr. Victor Fedeli:** I see you don't disagree with him in that respect, except for the NRR, but he certainly disagrees with you on the Greenfield number by 100% and the NRR by 75%.

**Mr. Colin Andersen:** No, he disagreed with us on the Greenfield number by about \$19 million.

**Mr. Victor Fedeli:** By about 100%—

**Mr. Colin Andersen:** No, about \$19 million.

**Mr. Victor Fedeli:** I'm not going to get into—

**Mr. Colin Andersen:** Read our response and you'll see that that—

**Mr. Victor Fedeli:** It was \$63 million and \$65 million.

**Mr. Colin Andersen:** Nineteen million is the only area of disagreement that we had.

**Mr. Victor Fedeli:** Except for the—

**Mr. Colin Andersen:** When all is said and done, the total number.

**Mr. Victor Fedeli:** —benefits to Greenfield, where he calculated that off by about 100%.

Let me ask you: Who told you that the TransCanada deal was being cancelled?

**Mr. Colin Andersen:** I guess it would have been the chief of staff and the deputy minister at the time.

**Mr. Victor Fedeli:** What authority does the government have to cancel a contract that you have?

**Mr. Colin Andersen:** Once we have a contract, they don't have legal authority to tell us to cancel a contract, but they had made it very clear, through their commitments, their strong intent to have the plant relocated and, of course, they have a number of tools at their disposal including, ultimately, legislation. So it was very clear to us that this is where they wanted to go—

**Mr. Victor Fedeli:** So they had no legal authority—

**Mr. Colin Andersen:** We talked about it with our board and ultimately decided that it was in the interests of ratepayers to at least attempt to renegotiate the contract. Ultimately, that's what we were able to do.

**Mr. Victor Fedeli:** So they don't have any power under the Electricity Act or any other acts to tell you to cancel that power plant, yet you did it.

**Mr. Colin Andersen:** Once we sign the contract, their legal power to direct us goes away. However, we have a board and we talked about the fact that there was a very strong commitment on the part of the government and all three parties and the citizens in the area to have the plant relocated. We could have taken a number of courses of action, which is just, "Okay, fine, see you in court." But we felt that it was better for us to be the ones to go and work with our contract counterparty to renegotiate because we felt that was the fairest way to go.

**Mr. Victor Fedeli:** Did anybody on your board object to being told what to do? Did anybody on your board object to this?

**The Chair (Mr. Shafiq Qaadri):** One minute.

**Mr. Victor Fedeli:** Just a simple answer because I have one more question.

**Mr. Colin Andersen:** I think it's fair to say that once we've got a contract under way, people expect that we're going to proceed with that.

**Mr. Victor Fedeli:** So nobody on your board objected, then?

**Mr. Colin Andersen:** We had a good discussion about the realities that were now in front of us and ultimately decided that renegotiating was the way to go. I can't say we were happy about it, but we could understand the position that the—

**Mr. Victor Fedeli:** So moving the plant farther away—let me quote you from the National Post: "It would not be responsible to build a plant elsewhere and deliver its power to the southwest GTA because that would require building new high-voltage transmission lines, which would impact ... other communities and mean hundreds of millions of dollars in additional cost."

Did the province of Ontario, the Premier's office, understand that moving it to Napanee was going to cost hundreds of millions more?

**Mr. Colin Andersen:** At different points in time, there were different understandings, so certainly—

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Fedeli.

Mr. Tabuns, the floor is yours.

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

**The Chair (Mr. Shafiq Qaadri):** Just to advise: please, no flash photography. Cameras are welcome otherwise.

**Mr. Peter Tabuns:** This whole question of the cost of the Oakville plant. We always disputed the \$40-million figure because we didn't think it reflected a financial reality for that big a transaction. You can imagine why we would have difficulty with the government's position, because—and I'll quote Minister Bentley, October 3, 2012: "The memorandum of agreement speaks to the

cost. The memorandum of agreement and the result of the negotiations—very hard negotiations ... were concluded on Monday morning, and we know the cost of it is \$40 million." And that's what was given to us time after time after time. Never "\$40 million and there are undetermined costs that we'll be sorting out later"; "\$40 million and there are savings and costs." No. Forty million bucks.

I think you can understand why, when we see your number, eight times bigger than what the government has previously provided, yet to be audited—you know, their numbers, we're going to debate about. You can see why Ontario—

**Mr. Colin Andersen:** I think—

**Mr. Peter Tabuns:** Sorry—Ontario's been given the sense that it's \$40 million.

**Mr. Colin Andersen:** Well, I think Minister Bentley did talk when he was here about what he was referring to at the time when he was talking about that; \$40 million is the sunk costs. There were other costs—

**Mr. Peter Tabuns:** He didn't use those words.

**Mr. Colin Andersen:**—that go along with this. You know, \$40 million plus all of the other elements that are in the MOU, numbers which have yet to be determined. That's the reason why, from the outset, we had said, given that there are these numbers which are still TBDs, let's put out the MOU in its entirety so people understand. I appreciate that that is not an easy way to communicate the entire picture, but it was there.

**Mr. Peter Tabuns:** Well, when we ask in the Legislature for an answer, that's what we get. When we ask you—or former Minister Bentley under oath—we get a lot more detail. Frankly, Ontario has been given the impression consistently that it was \$40 million and we have had that debate in the House. You've given me—

**Mr. Colin Andersen:** I've tried to be clear in the language that I use.

**Mr. Peter Tabuns:** You've given useful information today, and I am appreciative. It's clear even your numbers show a cost eight times higher than the government has been using.

But I want to go back to Mississauga for a moment. There was the \$180 million, and you say another \$80 million was spent that could be repurposed.

0940

**Mr. Colin Andersen:** That's right.

**Mr. Peter Tabuns:** So what did Ontario get back for that \$80 million?

**Mr. Colin Andersen:** Not everything that the monies that had been expended on the Mississauga site could be moved over. But there are things that can be repurposed, such as the gas turbines themselves, so you do move them over.

**Mr. Peter Tabuns:** No, actually, that isn't my question.

**Mr. Colin Andersen:** Sorry.

**Mr. Peter Tabuns:** I followed this with Mr. Bentley. We put out \$260 million—

**Mr. Colin Andersen:** So \$325 million in costs, ultimately, of which some of it could be repurposed.

**Mr. Peter Tabuns:** That's right.

**Mr. Colin Andersen:** So the net cost—

**Mr. Peter Tabuns:** So what did we get back? When I read the Auditor General's report, what we got was a reduction in the cost of that contract that was worth about \$22 million. So, in fact, we put out an awful lot of cash, and we got a very small amount back.

**Mr. Colin Andersen:** Well, I think some of that goes along with the fact that this particular plant was one third of the way constructed—intense pressure to get the construction of that plant stopped and then relocate elsewhere. As the auditor acknowledged, we were in difficult circumstances with regard to negotiating the change, so you have to take into consideration the fact that there were costs that had already been expended on an existing plant. We're now a few years later on, and we're negotiating under not only the current commercial circumstances, but the fact that the plant was being relocated.

**Mr. Peter Tabuns:** I understand all those countervailing pressures. I listened to the auditor; I've heard your testimony. You had spent \$260 million, not \$180 million, and you were going to get back a small refund on that. We were given the impression it was \$180 million on that plant. No, even then you knew it was \$260 million.

**Mr. Colin Andersen:** Well, we were repurposing as much of that equipment as possible.

**Mr. Peter Tabuns:** It didn't matter. You had put the money out, and what you got—

**Mr. Colin Andersen:** Well, it reflects—yes, I mean, it reflects the fact that the plant was one third of the way constructed. Those monies could not be reused elsewhere, and then we had to renegotiate elsewhere, and we were under difficult circumstances for doing that renegotiation. Even the auditor acknowledged that we got the best deal that we could under the circumstances.

**Mr. Peter Tabuns:** That isn't the question here. We were told \$180 million; you had spent \$260 million. You didn't get the savings. We were out of pocket, and you could have told us. The minister could have told us.

**Mr. Colin Andersen:** Again, it goes back to some of the complexities of explaining some of these numbers: the gross and the net and some of that kind of thing, right? So there were monies that went out the door; some of that we got back. It was further complicated by the fact that there was a financier involved, so trying to explain all the cash flows for these.

When all is said and done, ultimately, we were able to relocate the plants. They're going to provide good service. We feel that they are at commercially reasonable prices, albeit we're paying more than we otherwise would have if the government hadn't made the decision to relocate the plant. That's the reality that we are in. I think we got the best outcome that we could have.

**Mr. Peter Tabuns:** Mr. Andersen, you've been a good witness, but you're starting to meander, and I'd like to focus you back.

Oakville: Was it always the position of the OPA that the power needs for Oakville could be met by transmission or generation solutions?

**Mr. Colin Andersen:** There's always more than one way. Our preference was to go with the gas plant. I continue to feel strongly that maybe we're putting too many eggs in the transmission basket in the Toronto area, and I would prefer to see generation, because it provides a lot of things that transmission doesn't.

**Mr. Peter Tabuns:** Okay. One of the things that happened in Oakville that was interesting to us, talking to Chris Breen and talking to others who have been here, is that the Oakville plant, the TransCanada project, was facing these huge barriers that appeared to be surmountable only by the government taking regulatory and legal action and overruling Oakville. That wasn't done. But as Mr. Breen noted in his testimony most recently, that was done with northern York region. Who made the decision to overrule northern York region in the imposition of the plant in the Holland Marsh?

**Mr. Colin Andersen:** Ultimately the government did. The circumstances in that part were very different than in Oakville, because northern York region was either on the brink or I think it actually passed the point where it was meeting reliability standards. So they were much more in need of a very immediate solution than the circumstances that we found ourselves in in Oakville.

**Mr. Peter Tabuns:** Out of curiosity, who drove the rewriting—who drove the overrule? Which minister was it? Which chief of staff was it?

**Mr. Colin Andersen:** It would have ended up being an overall government decision because—I guess it would have been Minister Smitherman at the time. Sometimes I lose track of which person was around.

At that time, we would have said, "This plant is really needed. Here's what it's going to take," and then it would depend on which particular act was the one that would make that move forward. If it was the Planning Act, then that would necessarily involve the Minister of Municipal Affairs and the rest of cabinet, so that would have gone forward, ultimately, as a cabinet decision.

**Mr. Peter Tabuns:** Did the OPA drive that?

**Mr. Colin Andersen:** The OPA continued to provide advice that we wanted to see this plant go forward because it was very much needed, and we would identify ways that we thought could go forward. Ultimately, this was the one that was chosen to get the plant across the finish line.

**Mr. Peter Tabuns:** Going back to the question of allocating the cost between tax and rate base, were you involved in a very sharp debate with the government? I assume you wanted to keep it off the rate base and they wanted to keep it off the tax base?

**Mr. Colin Andersen:** We wanted to have the appropriate allocation. This all did stem back to a government decision. At the beginning, we weren't sure what the split should be, but, because it was a government decision, we felt that the taxpayer should actually take some of that responsibility. The stuff that was associated with electrons—we thought, "Well, maybe that's a legitimate portion for the ratepayer."

**Mr. Peter Tabuns:** Did the government always try to push it as much as possible on to the rate base?

**Mr. Colin Andersen:** No, I wouldn't say that. We agreed from the outset to park this discussion for later. We weren't going to decide on it right at the time, but I—

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Tabuns.

To the government side: Mr. Del Duca.

**Mr. Steven Del Duca:** I want to begin these final 10 minutes by talking a little bit about what would have happened if some of the contracts had just been ripped up, but before I get to that, I want to ask for one clarification.

In the first round of questioning, I think it was clear to everyone here in the room that Mr. Fedeli was trying to kind of separate out the savings from the Oakville agreement, but I think we would all agree that what he's actually doing is fairly misleading, because the savings are very much a part of the agreement. Is that—

**The Chair (Mr. Shafiq Qaadri):** Mr. Del Duca, I invite you to use more parliamentary language.

**Mr. Steven Del Duca:** —that what he was doing was attempting to confuse the matter. The savings are very much—

**Mr. Victor Fedeli:** No confusion here.

**Mr. Steven Del Duca:** Well, I'm asking Mr. Andersen just to clarify that the savings that we talk about are very much a part of the agreement in Oakville.

**Mr. Colin Andersen:** I think you need to take all of the items into consideration when you're talking about this, yes.

**Mr. Steven Del Duca:** Thank you for helping us to end the confusion.

If the OPA had ripped up both the Mississauga and Oakville contracts, do you believe that the ultimate cost would have been higher and there would have been less benefit to the energy system?

**Mr. Colin Andersen:** If the contracts had been mutually terminated—or, not been mutually terminated, that would have exposed us to litigation, so we could have been in court and ultimately cutting a pretty big cheque and not getting electrons back, and we felt strongly that that would have had ramifications on not only our current contract holders but the faith of future investors in applying to any of our future RFPs.

**Mr. Steven Del Duca:** So, from your perspective, you believe the OPA balanced your responsibility to the ratepayers with the responsibility to provide reliable energy for the system. Is that correct?

**Mr. Colin Andersen:** Yes. We think that we got a good balance in respecting both being fair as well as getting value for ratepayers.

**Mr. Steven Del Duca:** Great. I'd like to move to a bit of a discussion around document disclosure. I want to speak to you a little bit about the document search process in response to the estimates committee request for correspondence relating to the two gas plant relocations.

At your February press conference, the OPA's chair, Mr. Hinds, said that the OPA is in the business of producing power, not documents. What I take from that

is that the document search process was quite a departure in terms of the normal activities that are engaged in by the OPA. Would you agree with that?

**Mr. Colin Andersen:** I would very much agree that it was very new to us—a request of this scope and this nature—and we had to learn as we went along with regard to that, yes.

**0950**

**Mr. Steven Del Duca:** So because it's outside the scope of your normal work, because it was a massive undertaking, and because you mentioned that you were learning as you went along, is it fair to say that certain mistakes were made?

**Mr. Colin Andersen:** There were definitely shortcomings from the start, but I think what is also important to know is that we continued to work on this, and it was our own due diligence, our own asking questions about some of these things, that ultimately led us to realize that we needed to add more things to our disclosure. In some cases, when we discovered that we had made some mistakes, when we pointed out our mistakes to the government, they realized that they had also made some of those.

This was also new to the Ontario public service. You've heard this from many witnesses before, that this was—and the other thing that was important to us was we had conflicting, competing legal obligations. The information that we have that is commercially sensitive, that we're legally obligated not to disclose, that is privileged—we're in the middle of negotiations; we're thinking that potentially litigation is going to happen—absolutely respect the work of this committee, and it was always our intention to comply with the requests. We had made some suggestions about how some of this information could actually be disclosed or provided without being disclosed to the public and the media. It's happening in the context of very detailed negotiations that are going on at the same time.

Absolutely, we learned. We got experts in to help us, and we have new protocols now.

**Mr. Steven Del Duca:** So at that press conference, you were asked about the opposition's assessments that there had been some sort of orchestrated cover-up by the government, and Mr. Hinds responded at that time as follows: "I don't think 'cover up' is the right way to describe it. We messed up some search terms, and we're trying to get them cleaned up, so I'm not sure what this has to do with the government. This is all us." That was the end of his quote.

Would you agree with Mr. Hinds's comments that there was no orchestrated cover-up, that best efforts were made on the part of the OPA?

**Mr. Colin Andersen:** Yes, we absolutely made best efforts. These were our decisions on what to put out.

**Mr. Steven Del Duca:** Your vice-president of communications, Kristin Jenkins, testified before this committee, and she confirmed that the OPA was responsible for your own document search and had final sign-off on what was provided to the Clerk. Would you agree?

**Mr. Colin Andersen:** Yes.

**Mr. Steven Del Duca:** Thank you very much. I want to spend—how much time, Mr. Chair?

**The Chair (Mr. Shafiq Qaadri):** Four minutes.

**Mr. Steven Del Duca:** I want to spend the rest of my time talking about the commercial sensitivity of this whole process. Many of the documents we're talking about were produced as a result of the motion, as I said earlier, passed at estimates in May 2012. At the time those requests were made, you were obviously aware that pretty sensitive commercial negotiations were ongoing with Eastern Power and TransCanada. Is that correct?

**Mr. Colin Andersen:** Yes, there were very detailed negotiations going on, for sure.

**Mr. Steven Del Duca:** You wrote to the committee on May 30, in fact, that in response to the motion—this is a quote from what you wrote—“The OPA respects the authority of the committee and its interest in receiving this information.”

You also had serious concerns about the release of the documents before the negotiations were finalized. The letter states: “The provision of correspondence to the committee related to these two matters would disclose material which is legally privileged and has been provided by other parties in confidential, without-prejudice negotiations. Such disclosure is likely to significantly prejudice the position of the OPA and the province in the ongoing, highly commercially sensitive negotiations and in the current litigation.”

Is it fair to say, then, that potentially releasing documents to the public at that point in time may have increased the cost to Ontarians, and that you and Minister Bentley had a responsibility to protect ratepayers while also being open and transparent?

**Mr. Colin Andersen:** We absolutely felt that there was a possibility of significant exposure, because it would have revealed our thinking in the negotiation side of things, and we felt that it would have weakened our case down the road, should this come to litigation. These are very detailed assessments that we were making, including of the risks and our assessment of how far we might be able to get at the table. The other side of the table would have loved, absolutely, to get this kind of information because it very much would have impacted how hard they would have fought back on some of these items. They would know exactly where to press their advantage.

**Mr. Steven Del Duca:** Generally speaking, the release of commercially sensitive information in your line of work would be—just generally speaking—a pretty grave concern for you.

**Mr. Colin Andersen:** A very, very grave concern. At the same time, we do respect the work of this committee, so we are trying to balance off those obligations, both of which we take very seriously.

**Mr. Steven Del Duca:** Thank you. Is there anything else you'd like to add to your statements today from your perspective?

**Mr. Colin Andersen:** I know that one of the things you've talked about in the past is the siting question and how things could be done differently in the future. It's an

area that I feel quite strongly about. I've long advocated that there be a better connection between land use planning and electricity infrastructure planning. I think it needs to be more explicitly embedded in the municipal infrastructure side of things.

The OPA does do work in our regional planning with regard to getting communities involved earlier in the planning process with regard to identifying needs and options that are coming in the future. I think that along with local involvement—you know, the choice of communities is important; communities should have choice in how their electricity needs are met. But I also think they should have some responsibility for that, and I don't think that's strong enough right now with regard to where we find ourselves.

Our regional plan—we've got six of them going in the province now, and we're looking at generation, transmission and distribution, working very closely with communities and LDCs. It's going well, but I think more needs to be done to draw a stronger link.

**Mr. Steven Del Duca:** Great. Thanks for your answers. Thanks for being here today.

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Del Duca. Mr. Fedeli.

**Mr. Victor Fedeli:** Thank you very much.

In Ms. Butler's testimony, she states repeatedly, “The OPA has been very specific that the \$40 million were sunk costs.... The memorandum of understanding, which the government was a party to, also indicated that there were going to be additional costs.”

She goes on to say, “Well, the government was a party and signed the memorandum of understanding, so they were aware of what was in the memorandum of understanding.”

She further says, when asked about the \$40 million, “They knew that. That was part of the memorandum of understanding, yes.... I can't comment on how they choose to communicate the numbers.”

She was asked about why the government continues to stick to \$40 million when they know it's higher, and she repeated seven different times that the government knew that \$40 million was only sunk costs, and yet they continued to communicate \$40 million as the total cost. She says, “I can't comment on how they choose to communicate the numbers.... Again, they signed the memorandum; they knew that we had other costs coming: gas interconnection, electricity interconnection etc.... The OPA has been very specific that the \$40 million were sunk costs....” She finalizes with, “So, the costs can be bucketed, as you've started out—yes, there were sunk costs. Yes, there were costs to the transmission system, to upgrade the transmission system, because the plants were moved to a new location. There were other costs that were very project-specific,” and she goes on to say, “There were other costs....”

Now, her follow-up letter said, “plus there's going to be some savings coming.”

But at the end of the day, why would the government continue to put a \$40-million number when they knew it was wrong?

**Mr. Colin Andersen:** I think JoAnne summed it up pretty well, and I agree with the way she's talked about that. I can't comment either on how the government chose to communicate. What I can talk about is the fact that we provided the numbers that were known; I was a signatory to the MOU as well. We released that document publicly in its entirety. It had all of the elements that were there in addition to the sunk costs. It just didn't have numbers attached to them because we didn't have that information at the time.

**Mr. Victor Fedeli:** So you knew there were other costs—other than the \$40 million sunk costs—presumably in the hundreds of millions?

**Mr. Colin Andersen:** We all knew that those were going to be there and that they were going to be significant, yes

**Mr. Victor Fedeli:** The government knew that the total cost was more than \$40 million?

**Mr. Colin Andersen:** Absolutely, yes.

**Mr. Victor Fedeli:** Thank you.

Let's talk again about the documents that Mr. Del Duca first broached. Let me summarize what we've had here from your employee, Kristin Jenkins. She swears under oath—and there are documents here that back her up, that state that the Ministry of Energy came into the OPA and said, "We're going to be cute here"—I'm paraphrasing—"we're only going to give the words Mississauga and Oakville. We're going to have a very, very narrow definition."

1000

She has handwritten notes here that say, "Only correspondence, not slide decks that are attached to correspondence. If no key term in correspondence, then remove all." So she's very, very detailed with the handwritten notes about her meeting that documents were to be pulled out—any document that didn't say "Oakville" or "Mississauga" and a few others. But documents that stated "SWGTA," southwest GTA, were to be removed.

She has copied you on various pieces of correspondence, either Kristin or others. How would you characterize her testimony here?

**Mr. Colin Andersen:** She was under oath, and she gave a description of that meeting. She came back after that meeting and walked me through what was going on, and I asked a number of questions about that, specifically some of the items that you're talking about, so taking a narrow interpretation and some of those kinds of things. She also had outlined that they had gone through a page-flip of 700 pages—

**Mr. Victor Fedeli:** I'm sorry?

**Mr. Colin Andersen:** Seven hundred pages of material at the meeting, so there didn't seem to be a lot of room for misinterpretation.

Another important part is that we had been asked to apply that approach, which at the time we thought was the one that the ministry was taking. It turned out to not be. We also—

**Mr. Victor Fedeli:** So can I just ask you—I have to interrupt; I apologize. So they said to you, "We want this

narrow interpretation," and you complied. You actually did temporarily remove several thousand documents. Then, when the document dump, as I call it, first came, oops, they didn't; they put everything in and left you out there with some documents removed. Is that an accurate characterization?

**Mr. Colin Andersen:** We didn't actually realize until October 2—

**Mr. Victor Fedeli:** But is that what happened?

**Mr. Colin Andersen:** We thought we were taking the same approach. I think even the deputy minister had thought that we were taking the approach, and it was only on October 2 when he and I realized that we weren't.

**Mr. Victor Fedeli:** What does that mean?

**Mr. Colin Andersen:** We relied on the fact that their legal branch—well, so—

**Mr. Victor Fedeli:** What does that mean that you weren't taking the same approach? You had documents removed, and they didn't. Is that accurate?

**Mr. Colin Andersen:** Let me use an example, maybe.

**Mr. Victor Fedeli:** Please.

**Mr. Colin Andersen:** The attachments issue that you talked about: The idea was that if the cover email didn't reference the plant, then the attachments, even if they did, would be excluded.

**Mr. Victor Fedeli:** What about "SWGTA"? Did you have documents removed?

**Mr. Colin Andersen:** And the acronym "SWGTA"—the narrow interpretation often means that you're being very specific to the wording that you have in front of you. SWGTA wasn't the wording.

**Mr. Victor Fedeli:** Okay.

**Mr. Colin Andersen:** Because of the time to get the documents back, I said, "Okay, they're taking a narrow approach. It sounds like they're taking the FOI approach. Their legal branch is coordinating, so let's go with that, but I'm going to"—in my own mind, I had said, "I'm going to raise this with the deputy," because a narrow interpretation—is that the way to go?

I raised those questions with the deputy about the attachments, and he had said to me, "Well, our legal branch is coordinating, so I presume things are okay." So he thought that if this is what the ministry was doing and that their legal branch had okayed it, then that was probably fine. I probably took too much assurance in that as well, and it was only through the fact that I continued to ask these questions, to say, "Well, is a narrow interpretation the right way to go?" Because that may be appropriate for FOI, but for a committee, I think a general interpretation is actually better—

**Mr. Victor Fedeli:** So at the end of the day, if I can just be a bit cavalier, they kind of hung you out to dry, because they sent you out taking documents away—intentionally removing documents: "SWGTA," "slide decks"—and they didn't do that.

**Mr. Colin Andersen:** I don't think there was any—nothing was done intentionally. A lot of this stuff was done inadvertently—

**Mr. Victor Fedeli:** By them, you mean? By the ministry?

**Mr. Colin Andersen:** Well, you know, it was always our intention to put everything out and—

**Mr. Victor Fedeli:** But why didn't you, then? Why did you not put everything out the first time?

**Mr. Colin Andersen:** Well, ultimately, we did.

**Mr. Victor Fedeli:** No, no. The first time.

**Mr. Colin Andersen:** We found our own mistakes—well, so—

**Mr. Victor Fedeli:** The 36,000 documents.

**Mr. Colin Andersen:** Yes, we were walked through this approach, and we thought it had the blessing of their legal branch—

**Mr. Victor Fedeli:** Well, not just the blessing; the instruction.

**Mr. Colin Andersen:** We turned our attention to a very intense—

**Mr. Victor Fedeli:** No, hang on, Mr. Andersen. Please—

**Mr. Colin Andersen:** —no, but a very intense period of negotiations followed.

**Mr. Victor Fedeli:** Go back. It wasn't with the blessing, it was under their instructions, according to Kristin Jenkins.

**Mr. Colin Andersen:** Well—

**Mr. Victor Fedeli:** Is that not accurate?

**Mr. Colin Andersen:** We were told—

**Mr. Victor Fedeli:** Did the Ministry of Energy tell you?

**Mr. Colin Andersen:** An employee of the Ministry of Energy described an approach that the ministry was taking.

**Mr. Victor Fedeli:** Which meant removing documents.

**Mr. Colin Andersen:** And then there was an expectation that we would apply the same approach. It had the effect of having a bunch of documents excluded.

**Mr. Victor Fedeli:** Well, it had the effect. There were—

**Mr. Colin Andersen:** Right. When all was said and done—

**Mr. Victor Fedeli:** —thousands of documents missing in the first dump.

**Mr. Colin Andersen:** When all was said and done, it was our decision.

**Mr. Victor Fedeli:** Yes.

**Mr. Colin Andersen:** It was our due diligence that ultimately led to the fact that we wanted to add more documents to our disclosure, so ultimately we did produce everything.

**The Chair (Mr. Shafiq Qaadri):** One minute.

**Mr. Victor Fedeli:** In your talking points here, in the talking points that were provided, it says, "The government did not see the additional documents before we disclosed them," but according to you and others, they were in the room and taking documents out. "SWGTA, while searched, were left out of the disclosure. None of this was intentional." Was it not intentional to remove SWGTA?

**Mr. Colin Andersen:** We're talking about different times. After the first disclosure, we were not sharing—the ministry was not coming to have a look at our documents. We never had a look at their documents, either.

**Mr. Victor Fedeli:** No, I understand that. Yes or no: Did the government know it was more than \$40 million?

**Mr. Colin Andersen:** Yes, they knew that there were additional—

**Mr. Victor Fedeli:** And who knew it was more than \$40 million?

**Mr. Colin Andersen:** Everybody, including the minister.

**Mr. Victor Fedeli:** Thank you.

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Fedeli, and thank you, Mr. Andersen, for your presence and testimony on behalf of the OPA.

Before we recess committee until this afternoon, I just flagged for us a couple of issues. One, as you'll know, one member per caucus signed a receipt for confidential documents received from Infrastructure Ontario, except for Mr. Tabuns, thank you. As well, we have a number of confidential documents from the OPA. It's the committee's option, because these documents have been flagged as privileged and confidential and to be kept out of the public domain, but the committee needs to decide as a whole. Do we either release them to the public without regard to that instruction? Do we go into a viewing room or, as it were, a room with a view? Or do we go into closed session for it?

I'd appreciate if we'd come back with a firm answer on those at the conclusion of the second witness, who is, by the way, the Premier of Ontario.

Yes, Mr. Fedeli?

**Mr. Victor Fedeli:** Chair, you're referring to the documents we were given last week.

**The Chair (Mr. Shafiq Qaadri):** Yes.

**Mr. Victor Fedeli:** Not the ones this morning.

**The Chair (Mr. Shafiq Qaadri):** No.

**Mr. Victor Fedeli:** Okay.

**The Chair (Mr. Shafiq Qaadri):** There are other documents on top of that.

**Mr. Victor Fedeli:** But the ones we received last week I've put in my lock-up, and that's—

**The Clerk of the Committee (Ms. Tamara Poman-ski):** Right. We received three packages from Ontario Power Authority, and there are two covering letters right now, because it's a big document with a stick, so we've got to decide what we want to do with it.

**The Chair (Mr. Shafiq Qaadri):** If there is no further business, the committee is recessed until this afternoon.

*The committee recessed from 1008 to 1458.*

HON. KATHLEEN WYNNE

**Le Président (M. Shafiq Qaadri):** Chers collègues, j'appelle à l'ordre cette séance du Comité permanent de la justice. Je voudrais accueillir la députée à l'Assemblée législative pour la circonscription de Don Valley West, la ministre de l'Agriculture et de l'Alimentation et notre 25<sup>e</sup>

première ministre, the Honourable Kathleen Wynne. I'd invite you, Premier, to be sworn in by the Clerk.

**The Clerk of the Committee (Ms. Tamara Poman-ski):** Do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

**Hon. Kathleen O. Wynne:** I do.

**The Clerk of the Committee (Ms. Tamara Poman-ski):** Thank you.

**The Chair (Mr. Shafiq Qaadri):** Thank you, Madam Premier. As you're well aware of the protocol, you have five minutes to make your introductory remarks, followed by questions by rotation. I invite you respectfully to please begin now.

**Hon. Kathleen O. Wynne:** Thank you very much, and I'll read quite quickly because I have a number of things that I want to say. Thank you for inviting me here today.

As Premier, I have been very clear to the entire government, cabinet ministers, MPPs, the civil service and the OPA that we need to be open and transparent on all aspects of the relocation of the Mississauga and Oakville gas plants. To that end, I am pleased to have the opportunity to explain my involvement in these files.

I support the decisions to relocate these two gas plants. We listened to the residents of Mississauga and Oakville, and I understand that those decisions were also supported by the opposition parties, including their local members and candidates. The siting of these two plants failed to take into account the views of the community. Despite expert advice, despite an open procurement process and all the decision points along the way, the overall process failed. I have been very clear that I regret that we didn't have a different process in place.

As Premier, I have taken several important steps on these files. I have discussed this issue with the two opposition leaders and continue to be open to further conversations on this matter. I offered a select committee. When that was rejected, we broadened the mandate of the justice committee to consider all aspects of the relocations. I requested that the Auditor General expand his review to include the Oakville relocation. I asked the Liberal committee members to put forward a motion requesting all documents government-wide, but the opposition voted that down. And I've made it clear from day one that I would testify before this committee when called. I've been called, and here I am.

Let me now share with you my activities on these files, starting with Oakville. I was not involved in the decision to relocate the Oakville plant. Eight months after the decision was announced, on July 29, 2011, as Minister of Transportation, I, along with three other cabinet ministers, signed a cabinet minute. That minute authorized the Ministry of Energy to formalize settlement discussions with TransCanada and enter into an agreement under the Arbitration Act should negotiations fail. This was reported into cabinet on August 10, 2011, a meeting I also attended.

On October 3, 2012, I was present at a cabinet meeting which included a report back from treasury board on the negotiation mandate they had approved for the Trans-Canada negotiations.

With respect to the Mississauga relocation, I served as vice-chair of the 2011 Liberal election campaign. The issue of the Mississauga power plant and relocation was never raised at any of the meetings I attended. I learned about the campaign commitment from media reports.

After the election, I was appointed Minister of Municipal Affairs and Housing and Minister of Aboriginal Affairs. The new cabinet met on October 20, 2011, and there was a high-level discussion that the government was moving forward on the commitment to relocate the Mississauga plant.

On November 21, 2011, I, along with three other cabinet ministers, signed a cabinet minute approving a \$10-million settlement with Eastern Power regarding the outstanding litigation over the Keele Valley project. This settlement has been publicly disclosed as a cost associated with relocating the Mississauga power plant.

On November 24, 2011, I attended a cabinet meeting where the Minister of Energy provided a high-level update on the ongoing discussions between the OPA and Eastern Power. On May 30, 2012, I attended a cabinet meeting which included a report back on the approved treasury board negotiation mandate to settle with EIG, as well as a direction to the Ministry of Energy and the OPA to continue their settlement discussions with Greenfield. I was also present at a cabinet meeting on August 15, 2012, which included a report back on the treasury board order that approved \$180 million for the Greenfield South settlement and \$10 million for the Keele Valley settlement.

Since becoming Premier, I have had numerous conversations with members of my staff, the opposition, the public and the media about this issue.

Last month, staff from the office of the Minister of Energy told me:

- (1) the OPA's estimates kept changing;
- (2) at that time, the OPA's estimate for the cost to relocate Mississauga was \$271.4 million;
- (3) the OPA's estimate for the cost to relocate Oakville was between \$33 million and \$136 million.

I was provided with two OPA cost estimate documents, which I have tabled with the Clerk today, and you should have these.

I understand that the OPA appeared before this committee earlier today and has once again updated their numbers. I believe that the complexity and the fact that the OPA numbers keep changing justifies my decision to call in the auditor. We need to wait for the Auditor General's report.

In conclusion, let me state this: I'm pleased that the committee has convened for almost two months and has heard from over 20 witnesses. It is in everyone's interest that this issue is addressed and that we have a full understanding of how to ensure the appropriate placement of energy infrastructure so we get it done correctly

from the start. If we do not take the time to learn from the situations in Mississauga and Oakville, then we have failed those residents all over again, as well as all Ontarians.

Thank you very much, and I'm happy to take your questions.

**The Chair (Mr. Shafiq Qadri):** Thank you, Premier Wynne, first, for your precision-time remarks as well as the gesture of appearing before this committee.

Mr. Fedeli, the floor is yours.

**Mr. Victor Fedeli:** Thank you very much, Chair. Welcome, Premier.

**Hon. Kathleen O. Wynne:** Sorry, does everyone have—did people get these? Okay. Thank you.

**Mr. Victor Fedeli:** In your opening statement and on many occasions you have stated that the decision to cancel the gas plants was entirely political. What do you mean by that, Premier?

**Hon. Kathleen O. Wynne:** Thank you for that question, Mr. Fedeli. What I mean by that is that the decisions were made by politicians. There was advice that was given, there was siting expertise, but as I said in my statement, the consideration of the impact on community and the voices of community were not taken into account. So politicians in the end made the decision to relocate the gas plants. That's what I mean by political.

So, it's less, from my perspective, about political self-interest, because, as we know, everyone in the Legislature, all parties, agreed that these decisions needed to be taken. It is the reality that politicians made the decision as opposed to bureaucrats making the decision that I'm referring to.

**Mr. Victor Fedeli:** So by "political," you're not referring to the fact that these are seat-savers for five seats. You're saying it's a political decision because politicians made the decision.

**Hon. Kathleen O. Wynne:** Yes, that's what I mean.

**Mr. Victor Fedeli:** Were you going to lose any of those seats, in your estimation as a campaign chair?

**Hon. Kathleen O. Wynne:** I can't assess the risk there.

**Mr. Victor Fedeli:** Okay.

**Hon. Kathleen O. Wynne:** I know it was an issue in the communities, Mr. Fedeli. I mean, that's a reality; I think we all knew that. Over and over again in the Legislature, we've all talked about the reality that all of the candidates who were working in the community were addressing the reality and the statement that all the parties were interested in reversing these decisions. So I think it's safe to say that there was an understanding that the decision that had been made was not the right one for the community.

**Mr. Victor Fedeli:** When you made this, or when this political decision was made, did you have any idea of the scope of the cancellation dollars?

**Hon. Kathleen O. Wynne:** No.

**Mr. Victor Fedeli:** So what was your role, then, as Liberal co-chair?

**Hon. Kathleen O. Wynne:** As the vice-chair of the campaign—I'm glad you asked that question because, as you know from campaigns, there are many different roles. My role in the campaign was really to be out in the field, to be working with candidates. I went to un-held ridings; I did fundraisers; I was doing radio spots in small communities. That was what was asked of me as the vice-chair—as well as my own campaign in my own riding. That's not to say that I didn't go to campaign meetings; I did, but they were broader, higher-level campaign meetings. I was not involved in the day-to-day strategy of every nuance of the campaign.

**Mr. Victor Fedeli:** Would you have participated in any discussions whatsoever before or after the announcement to cancel the Mississauga gas plant?

**Hon. Kathleen O. Wynne:** As I said, I was not part of those discussions.

**Mr. Victor Fedeli:** Even after you read it in the media, you didn't ask anybody, "What does this mean?"

**Hon. Kathleen O. Wynne:** You know, I may have had incidental conversations, but I was not part of the strategy discussions around that decision, either before or after.

**Mr. Victor Fedeli:** As the campaign vice-chair, you would not have read that in the media, seen it, heard it in the media or saw it on television, heard it on the radio and thought, "Wow, I'd better talk to somebody about this. This is something that may affect the campaign."

**Hon. Kathleen O. Wynne:** Well, Mr. Fedeli, as you know, there's a lot going on in a campaign, and I can tell you I was not part of the decision-making process before or after that decision was made.

**Mr. Victor Fedeli:** So when you first heard of the Oakville—now I'm going to switch over to Oakville. When was the first time you heard about the cancellation of the Oakville plant?

**Hon. Kathleen O. Wynne:** Well, on October 7, 2010, Minister Duguid announced that the Oakville plant would not proceed, and that would have been—as for the rest of the government, that would have been the day that we would have heard that decision.

**Mr. Victor Fedeli:** So, from there, the first time—you said that the first time it came to cabinet was July 29, 2011, the cabinet meeting that you chaired?

**Hon. Kathleen O. Wynne:** Right.

**Mr. Victor Fedeli:** It had not been discussed in cabinet before that whatsoever? No mention of the cancellation of the Oakville gas plant for those months?

**Hon. Kathleen O. Wynne:** July 29 was the date that I signed that minute.

**Mr. Victor Fedeli:** So from the time it was announced in October to July 29, 2011, had it been discussed in cabinet whatsoever?

**Hon. Kathleen O. Wynne:** I was not part of any discussions of the issue. July 29 is when the discussion and the cabinet minute was signed.

**Mr. Victor Fedeli:** So you didn't hear any other discussions? You would say it was not discussed in cabinet, or you do not know if it was discussed in cabinet?

**Hon. Kathleen O. Wynne:** I believe it was not discussed in cabinet in that period of time.

**Mr. Victor Fedeli:** You were the chair of cabinet at that time. What's the role of the chair of cabinet?

**Hon. Kathleen O. Wynne:** The chair of cabinet chairs the cabinet meetings and is briefed on cabinet agendas before the meeting and basically runs the meeting.

**Mr. Victor Fedeli:** Okay. In that cabinet document—Clerk, are our exhibits distributed?

**Hon. Kathleen O. Wynne:** I don't have a document here.

**Mr. Victor Fedeli:** There's a doc 1 and—it's coming. It's the cabinet agenda, the one that you signed. In that discussion on July 29, 2011, would there have been any discussion at all about costs of the cancellation to TransCanada Energy?

1510

**Hon. Kathleen O. Wynne:** No. So this was a walk-around—

**Mr. Victor Fedeli:** Yes, we've had it here in this room many times.

**Hon. Kathleen O. Wynne:** There were no discussions of cost, as far as I can remember.

**Mr. Victor Fedeli:** So you have authorized the Ministry of Energy to enter into an agreement with TransCanada and to engage in settlement discussions with TransCanada, but there were no discussions whatsoever about an up-set limit of costs?

**Hon. Kathleen O. Wynne:** That was not part of the discussion. There was an understanding that this would be a negotiation and that, as I have said in Legislature many times, there's a cost associated with making a decision to reverse a decision like this.

**Mr. Victor Fedeli:** So, even though it says that they're authorized to enter into an agreement and they're to engage in a settlement discussion, there were no rules given, no upside financial limit.

**Hon. Kathleen O. Wynne:** I had no access to any of the financial parameters around that discussion.

**Mr. Victor Fedeli:** So the Ministry of Energy would not have been given any parameters either—just “go do your deal”?

**Hon. Kathleen O. Wynne:** I had no access to any numbers around the parameters of that discussion.

**Mr. Victor Fedeli:** On page 4 of 5, it talks about a settlement—

**Hon. Kathleen O. Wynne:** Sorry, I don't know what you're looking at.

**Mr. Victor Fedeli:** The third scanned page: a settlement in the form of replacement projects, asset sales or other commercial alternatives. What would that mean, then, if money wasn't discussed? What replacement projects would have been discussed?

**Hon. Kathleen O. Wynne:** Well, again, Mr. Fedeli, I wasn't part of these negotiations.

**Mr. Victor Fedeli:** I understand.

**Hon. Kathleen O. Wynne:** And I was not the Minister of Energy, so this was not a file in which I had

detailed knowledge. My understanding is that there would've been a negotiation to reverse the decision, that there would be a cost associated with that, and that we were as a cabinet implementing a decision that had been made by the government—a decision that all parties had agreed was necessary.

**Mr. Victor Fedeli:** So even though it talks about the fact that you're authorizing them to get into negotiations, develop a commercial alternative, there were no dollars talked there.

**Hon. Kathleen O. Wynne:** I didn't have access to financial—

**Mr. Victor Fedeli:** I'm just reading from the minutes.

**Hon. Kathleen O. Wynne:** Yes, and I didn't have access to any numbers in terms of those financial—

**Mr. Victor Fedeli:** So did you ask at all: “If we're getting into negotiations to develop a commercial alternative, how much is this going to cost?”

**Hon. Kathleen O. Wynne:** We understood that there was a negotiation that would have to occur. I didn't have access to any of those numbers.

**Mr. Victor Fedeli:** No idea about the cost.

**Hon. Kathleen O. Wynne:** A negotiation is a confidential process, so it would not have been that we would have had a discussion about those amounts at cabinet.

**Mr. Victor Fedeli:** So when was the full cost of cancelling the Oakville plant first presented to and discussed at cabinet?

**Hon. Kathleen O. Wynne:** Well, Mr. Fedeli, I think that the discussion about the cost of Oakville is an ongoing one. I think that's the reality, isn't it?

**Mr. Victor Fedeli:** So when was the first time any costs were discussed at cabinet?

**Hon. Kathleen O. Wynne:** One of the reasons that I asked the Auditor General to look at the Oakville situation is that I believe that there has been a lot of confusion about the numbers, that there have been different numbers presented at different times. I said to you today that I'm bringing in a document that I was given some days ago that suggested that the cost of the Oakville relocation was between \$33 million and \$136 million. The OPA appeared today at committee and there's another number. So that's why I believe I'm completely justified in having asked the Auditor General to look at the situation, and I really believe we need to wait for the Auditor General's report.

**Mr. Victor Fedeli:** So I'll ask the question again: What would have been the first number that was discussed in cabinet? This has been going on for several years. We can't have today being the first day that cabinet ever heard a number, when Colin Andersen has given a different testimony.

**Hon. Kathleen O. Wynne:** As I'm saying, there have been various numbers—

**Mr. Victor Fedeli:** So what are some of those numbers?

**Hon. Kathleen O. Wynne:** —one of my frustrations—

**Mr. Victor Fedeli:** What would some of them have been?

**Hon. Kathleen O. Wynne:** Well, I think the \$40-million number is the number that was used. It was the sunk costs, and that's the number that we understood was the number. But we also understood that there would be other costs associated with that, as I know you know from the memorandum of understanding.

**Mr. Victor Fedeli:** So when did you understand that? That's an important sentence. You understood there were other costs, but up to and including this morning, we've only heard about \$40 million. When did you understand that there were more costs than \$40 million?

**Hon. Kathleen O. Wynne:** So, Mr. Fedeli, the reality is that there have been various numbers that have been bandied about over the last number of weeks. I came into this office with a determination to make sure that the questions that you are asking, the questions that the NDP were asking and, quite frankly, the questions that our own members and the public were asking—that we would get to the bottom of those numbers.

Because we moved to broaden the mandate of the committee, you have had the opportunity to have the experts come to the table and answer those questions. The reality is that one of those experts came this morning with another number, a different number, so it's very important to me that we let the Auditor General look at the situation and assess what the full costs are.

**Mr. Victor Fedeli:** So you said there were other numbers presented other than the \$40 million, or you understood—

**Hon. Kathleen O. Wynne:** Well, I think you've heard—

**Mr. Victor Fedeli:** —that \$40 million was not the final number. When did you first hear a number different than \$40 million?

**Hon. Kathleen O. Wynne:** Well, I think you've heard the Minister of Energy—the current Minister of Energy—in the Legislature speak to the reality that there was a memorandum of understanding, that \$40 million was part of that number but that there were other numbers and other costs that could be considered part of the overall costs. From the beginning—and that MOU has been on the website—the understanding has been that the \$40 million was sunk costs, but again, it wasn't the Minister of Energy—

**Mr. Victor Fedeli:** But Premier—pardon me—Minister Bentley said in the Legislature and in his speeches, “Over the coming days and weeks, you will read and hear lots of numbers related to the cost of the plant relocation. The only accurate cost to taxpayers for this relocation is \$40 million.” That's the number you and your government have stuck to.

My question was: When did you first understand that this number was not the final number—that there were going to be, and I quote from the OPA, “buckets of costs” to be added to this number? That's all I really want to know.

**Hon. Kathleen O. Wynne:** What I'm saying to you is that \$40 million was the cost that I was told and that our caucus and our government were told would be the cost associated with relocating the Oakville plant. That

number has changed, Mr. Fedeli; I'm frustrated about that and you're frustrated about that, as well you should be. That is why I asked the Auditor General, who is a financial expert, to look at the situation, to assess the costs and to give us a report. I am very eager to let him do his work.

**Mr. Victor Fedeli:** I asked Shelly Jamieson, the vice-president of OPA, what was known—we were talking about the sunk costs and the “buckets of costs.” She used the quote; she testified that she was aware of “buckets of costs” and that cabinet was aware of “buckets of costs.” I asked her if that was known, that there were more than just sunk costs, and she answered, “We knew exactly what we were going to cabinet to ask for”—oh, I'm sorry; I said Shelly Jamieson was with OPA. I'm sorry. Shelly Jamieson was cabinet secretary.

**Hon. Kathleen O. Wynne:** I know who Shelly Jamieson is.

**Mr. Victor Fedeli:** So, she said—I asked her if cabinet knew that there were more than \$40 million, and she said yes, “We knew exactly what we were going to cabinet to ask for.” How much was asked for, then, Premier?

**Hon. Kathleen O. Wynne:** I had no access to specific numbers beyond the \$40 million. I had no access to that in terms of specific other costs.

**Mr. Victor Fedeli:** Premier, I've got to be honest: When we had Craig MacLennan in here, and I asked him about a number, his answer was, “I do not know anything about that number, unless of course you have a document with my name on it. Then I can tell you about that number.”

We have sworn testimony from Colin Andersen of the OPA. This morning alone, when he provided a spreadsheet that showed that the cost of Oakville will be \$1.1 billion minus any savings—and he and the auditor are going to argue over the savings. They say the savings, which are highlighted in red, add up to about \$374 million. They bring it to \$310 million.

I asked him two questions: Did the government know that it was more than \$40 million? His answer was yes. I asked him the last question: Who in the government knew? He said, “Everybody.” Is that not accurate? Was he lying here this morning?

1520

**Hon. Kathleen O. Wynne:** So, Mr. Fedeli, I think it's quite clear from the argument that you've just put forward that it's very unclear what the costs are and it's very unclear which calculation you may be talking about—

**Mr. Victor Fedeli:** But it's more than \$40 million.

**Hon. Kathleen O. Wynne:** You've heard the current Minister of Energy say that there was a memorandum of understanding that was on a website that said that \$40 million were the sunk costs and that there would be other costs. But I had no access to what those costs would be, and quite frankly, we don't know what those costs will be. You're suggesting, with your \$1.1 billion or whatever your—

**Mr. Victor Fedeli:** I'm not suggesting. That was the spreadsheet from—that was a spreadsheet this morning—

**Hon. Kathleen O. Wynne:** Well, no, but you're suggesting that one calculation would be—

**Mr. Victor Fedeli:** That's the total calculation.

**Hon. Kathleen O. Wynne:** —to calculate that number without the savings, and I would suggest that—

**Mr. Victor Fedeli:** Is it safe to say that we both agree that it's more than \$40 million? Is the total cost more than \$40 million, Premier?

**Hon. Kathleen O. Wynne:** Sorry. Could I just finish my sentence?

**Mr. Victor Fedeli:** Well, we've only got about two minutes left, so I want to ask you: Is the total cost more than \$40 million? Is the total cost to the taxpayer and ratepayer more than \$40 million for the cancellation of Oakville?

**Hon. Kathleen O. Wynne:** I believe, yes, that the cost is going to be more than \$40 million, and in fact that is exactly why I think it's important that we let the Auditor General do his work.

**Mr. Victor Fedeli:** Did you approve of the continued use of the numbers \$40 million and \$190 million? Your ministers have stood—you have repeated those numbers. Did you approve that number?

**Hon. Kathleen O. Wynne:** From the time that I have known that those were not complete numbers, Mr. Fedeli, I have not used those numbers, and that's—

**Mr. Victor Fedeli:** So when did you change from using \$40 million, then? I'm trying to figure that out.

**Hon. Kathleen O. Wynne:** What you need to know is that whenever I have stood and used a number, that has been the number that I have understood to be the real number. You will know that over the last eight weeks, nine weeks since I've been in this office, I have been very clear that we're not talking about specific numbers, because obviously—

**Mr. Victor Fedeli:** Well, you've used \$190 million; you've used \$40 million. When did you change from using \$40 million?

**Hon. Kathleen O. Wynne:** But, Mr. Fedeli, I haven't used those as the final numbers. I've said that those were the numbers that we were told. Those were the numbers that we understood to be the numbers.

**Mr. Victor Fedeli:** Well, you never quantified it or qualified it like that. Your minister stood and said that the only accurate cost to taxpayers for this relocation is \$40 million. That has been repeated by minister after minister.

**Hon. Kathleen O. Wynne:** I don't know when that quote is taken from.

**Mr. Victor Fedeli:** There's one other number I want to ask you about, then. You used "36,000." You stood in the Legislature on September 25 and said, "As we know, 36,000 records were released today," and you qualified it by saying "responsive to the original motion of the estimates committee." So you put a little asterisk there because you knew, at that time, that 36,000 were not all the documents, because we have sworn testimony that the Ministry of Energy instructed OPA to pull documents out. Did you know the 36,000 were not all? And if so,

why did you qualify it with wobble language such as "were responsive to the original motion of the estimates committee"?

**Hon. Kathleen O. Wynne:** That language was to say how the documents had been asked for—

**Mr. Victor Fedeli:** Were they talking points? And if so, could you please table all the talking points? Because both you and about nine other cabinet ministers used the same language.

**The Chair (Mr. Shafiq Qadri):** Thank you, Mr. Fedeli. Mr. Tabuns, the floor is yours, and I would invite—

**Mr. Victor Fedeli:** I will be asking—

**The Chair (Mr. Shafiq Qadri):** I appreciate the day, but I'd just invite all committee members to allow the witness to respond as she sees fit.

Mr. Tabuns, the time is yours now.

**Mr. Peter Tabuns:** Premier, thank you for coming here today.

**Hon. Kathleen O. Wynne:** It's a pleasure, Mr. Tabuns.

**Mr. Peter Tabuns:** Premier, I've just been listening to your exchange with Mr. Fedeli, and you've been saying it's unclear what the costs are, but I have to say—and I've put this sheet in front of you, the Hansard record. It sure hasn't sounded—

**Hon. Kathleen O. Wynne:** This is the one that you—okay.

**Mr. Peter Tabuns:** It sure hasn't sounded to us like it was unclear. Here's Dalton McGuinty, October 15: "On the matter of the cost, Speaker, it's \$40 million... Ours is \$40 million, Speaker; we've nailed that down."

You yourself on September 25, 2012: "The total cost ... is \$40 million."

Bob Chiarelli, March 20: "The OPA stated that the sunk costs for relocating the plant were \$40 million." He's qualified it there.

But then also, the same day, March 20: "On that particular cost assessment, the province did, in fact, pay for very expensive equipment on behalf of the vendor, on behalf of the developer... and it ends up with a net cost of \$40 million, the number that the OPA has fully determined"—March 20, 2013.

**Hon. Kathleen O. Wynne:** That's the information that we were given, Mr. Tabuns. We were told that the number was \$40 million. The reality is that that's not the final number. There have been a series of numbers that have come out since those statements. But in every instance—I mean, I can speak for myself: I stood up and spoke to the number that I had been given.

**Mr. Peter Tabuns:** Premier, who gave you that number?

**Hon. Kathleen O. Wynne:** Those were numbers that came through the Ministry of Energy from the OPA. Those were numbers that the OPA had provided to the Ministry of Energy.

**Mr. Peter Tabuns:** Today, Colin Andersen, under oath, said that in the MOU, it was apparent there were a

lot more costs than the sunk costs, a lot more than the \$40 million, and everyone knew.

**Hon. Kathleen O. Wynne:** Yes, and in my opening statement, I said that when I was briefed—this was as of March 19; these numbers came out on March 19 and March 20—my understanding changed because there was a range of numbers. That's the \$136 million for the Oakville plant. There have been various numbers that have come forward, and that's why I think it's important that the Auditor General do his work.

**Mr. Peter Tabuns:** We think it's important that the Auditor General does his work as well, but it has been clear to just about everyone in Ontario since the day the \$40-million figure was first used that it didn't express what was going on, that in fact your government wasn't giving us the whole story. I have to say, based on what Mr. Andersen said today and what you're saying now, that's correct. We didn't get the whole story. We're short several hundred million dollars' worth of the whole story.

**Hon. Kathleen O. Wynne:** But we didn't get the full story either. That's the frustration from my perspective. You're right: You didn't get the full story, the Conservatives didn't get the full story, we didn't get the full story and the people of Ontario didn't get the full story, so that's a frustration.

Now, to be fair, I think Mr. Andersen and others have spoken to the complexity of calculating what the number is and what you're going to take into account or not. Mr. Fedeli has one way of calculating the number; the OPA is looking at the number in a different way. I'm not excusing that; I'm just saying that there is complexity in this that makes it clear that I want an accountant to look at this, and that's why I want the Auditor General to make his report.

**Mr. Peter Tabuns:** We want the Auditor General as well, but it's also clear that for those who looked at it at all objectively, \$40 million was never a credible number. Your minister today in question period said, "The MOU is up there. Anyone could see what was going on"—and actually, in that part, I'd say he's right.

**Hon. Kathleen O. Wynne:** The language around the \$40 million and the sunk costs—that's the number we were using. We were using the \$40 million and the sunk costs. As we understood it, that was the cost that was going to have to be picked up by public dollars. That was the number that we were using, and there were other costs, and those were unclear, so I acknowledge that.

**Mr. Peter Tabuns:** The documents obtained by us show that you were briefed by Chris Morley about the Vapour minute. Can you tell us what the substance of that briefing was?

**Hon. Kathleen O. Wynne:** That was a briefing before a cabinet walk-around, as I recall. When I was asked as a cabinet minister to sign a minute that was being walked around—and that happened to me fairly frequently, Mr. Tabuns, because I was a Toronto member, and if it were a Friday or it was a day when the House wasn't sitting, I would often be in my constituency office or I would be available. I would always ask for an understanding of

what it was I was signing, especially if it wasn't something on a file that I was familiar with. The briefing would have been very high level and, again, there would not have been specific numbers attached to it.

**Mr. Peter Tabuns:** Did he give you any sense of cost?

**Hon. Kathleen O. Wynne:** No, no.

**Mr. Peter Tabuns:** So you signed off on something that could have been worth a billion dollars.

**Hon. Kathleen O. Wynne:** No, I signed off on the implementation of a decision that was made by our government, and I was part of a cabinet that determined that we needed to reverse this decision, that there would be a negotiation associated with that and that there would be a cost associated with that. But I did not have access to those numbers.

You know that negotiations are confidential. I'm not saying that there weren't financial parameters; I'm just saying I didn't have access to those financial parameters.

**Mr. Peter Tabuns:** You've indicated before you didn't like the fact that Premier McGuinty prorogued to avoid questions about the gas plants.

**Hon. Kathleen O. Wynne:** I said I was uncomfortable with the prorogation, that I felt that we were all uncomfortable with prorogation and that the antidote was to get back to the Legislature as quickly as possible.

1530

**Mr. Peter Tabuns:** Since we've returned, we have had to wait a while now to get some numbers, and we still haven't seen anything from the treasury board which would have informed the government's approach to this whole matter. Have you thought of releasing those treasury board estimates of what the costs would be?

**Hon. Kathleen O. Wynne:** I have been crystal clear since I came into this office that whatever the committee felt it wanted to ask for, whatever the questions were, whatever documentation the committee saw fit to ask for, we would do everything in our power to provide that documentation. You know, quite frankly, that's why we're having this wide-ranging conversation here today, because I believed that the process needed to be opened up, that the mandate of the committee needed to be broadened, so that a broad range of questions could be asked. I was determined when I came into this office that we would deal—at that point, it was with the documents. It was about the documentation, making sure that people got the documentation that they were looking for.

And I understand that in the first instance some of the requests for documents were made with a narrow search, with narrow language, and that needed to be broadened. And as I have said before in the Legislature, it's not as though there are stacks of boxes sitting somewhere that say "Oakville and Mississauga gas plants." The reality is that these are electronic searches. You have to ask the question to get the right answer, and so, at least in part, that's why more documents have come forward.

But is it frustrating and do I think that it should have worked better? Absolutely. You know, I do not think that the process has been acceptable, right from the initial

decision to site these gas plants and not having taken into account, as I said in my opening statement, the community process. So it needs to be better, and one of the things I'm hoping will come out of this is that there will be some advice on what the process should look like going forward.

**Mr. Peter Tabuns:** Premier, were you briefed by the outgoing Premier's office on the cost of the two gas plants?

**Hon. Kathleen O. Wynne:** No.

**Mr. Peter Tabuns:** Were you briefed by the OPA on the cost of the two gas plants?

**Hon. Kathleen O. Wynne:** No.

**Mr. Peter Tabuns:** You didn't request briefing from either of them?

**Hon. Kathleen O. Wynne:** I have spoken—I have obviously had conversations with my Minister of Energy, and I know that he is in close contact with the OPA. He has provided that information. So, when I made my opening statement, I was briefed by folks from the Ministry of Energy.

**Mr. Peter Tabuns:** If you've had those briefings, then you've known that the cost was more than \$40 million since you were installed?

**Hon. Kathleen O. Wynne:** Well, yes. I said that I had a briefing that indicated that in the case of Mississauga the cost was \$271.4 million and that in the case of Oakville it was between \$33 million and \$136 million. And what that did for me, Mr. Tabuns, was it confirmed that we needed to have the Auditor General look at this situation. I had already asked the Auditor General to look at Oakville when I had that briefing, but it confirmed for me that it was not clear, it was not clear what the number was and that we needed to get to the bottom of that, and so that's why I asked the Auditor General.

**Mr. Peter Tabuns:** If I can just go back, you were briefed that Mississauga cost \$271 million?

**Hon. Kathleen O. Wynne:** That it was \$271.4 million. It's on that sheet that I gave.

**Mr. Peter Tabuns:** Right, and this was before the Auditor General gave his report?

**Hon. Kathleen O. Wynne:** Yes.

**Mr. Peter Tabuns:** Did you try to make it public at the time that it was \$271 million?

**Hon. Kathleen O. Wynne:** No, and I—you know, in the same way that I didn't announce to the public the number on the Oakville plant when I was briefed, because I believe, and I believed, that the Auditor General needed to do his work, because I think that there has been enough murkiness around this. I'm not an accountant, I'm not an engineer and I've never been a Minister of Energy, and it was very important to me that the Auditor General look at all of the numbers and that he weigh in and give us his best assessment.

**Mr. Peter Tabuns:** Up until last week, you were saying that Ontario needed to wait for the Auditor General's report before you were prepared to discuss costs at Oakville, but then last week, your minister called the Ontario Power Authority to come forward. Why didn't you do this earlier?

**Hon. Kathleen O. Wynne:** Well, again, I believe that this committee has—you know, it's got the authority now to ask the questions that need to be asked. I think that there have been a lot of questions about the cost. The OPA had been before the committee once. The Minister of Energy knew that there had been changes in the numbers. You'll have to ask the Minister of Energy why he made that particular determination, but from my perspective it certainly confirms that we need the Auditor General's report.

**Mr. Peter Tabuns:** When your government uses a distinction between taxpayer and ratepayer, it certainly matters to the annual reports of the Minister of Finance and to the head of the OPA, but in fact that's not the way most people say it. They see it as the expense of Ontario. Why has your government in the past said, "Well, this \$180 million, that's for the taxpayers," and kept out of the public light the rest of the cost, \$80 million to \$90 million?

**Hon. Kathleen O. Wynne:** I can't speak to the specifics of why that particular language was used in a particular instance, but the reality is, I agree with you that the money that will, over time—because these are costs that will be incurred over time. It's unacceptable, you know? When I say that I'm frustrated and I regret the situation—we shouldn't be in this situation. We should have had a better process in the first place so that we would not collectively have had to incur these costs. I've been very clear about that.

So, for me, the fine distinction between exactly who it is, which group of people are paying that off and where that money is coming from—it's all public dollars; you're absolutely right. It's one of the prime reasons that I believe that we need a better process going forward. We need a better process in terms of siting energy infrastructure, and we need to have a better process when and if there ever is a situation where there has to be a reversal of a decision. We need a better and clearer process on that as well.

**Mr. Peter Tabuns:** Speaking of processes, in northern York region the government went forward with a power plant that, frankly, exceeded local need and faced substantial opposition, just as substantial as Mississauga or Oakville. Yet, York Energy Centre went ahead in a Conservative-held riding and these other two power plants didn't go ahead. Seats were saved and a lot of money was spent. What are you going to do to ensure we don't see that?

**Hon. Kathleen O. Wynne:** Well, here's the reality: There have been 19 plants sited since 2003; 17 of them went more or less in a smooth way. The two that we are talking about today did not. It's those situations that raise the issue of how to put a better process in place. I can't speak to the York situation. I don't have the details of that. I can certainly get you more information on that if you'd like. But what I know is that we need better process, both on the siting of plants and making sure that there is community input and the process is transparent from the beginning, as well as if there ever has to be a

reversal of a decision, because I don't think sitting around this table can guarantee that there will never have to be a reversal of a decision. And if there is to be a reversal of a decision, how do we do that in a more transparent way and how do we make sure that many of these questions are addressed up front?

**Mr. Peter Tabuns:** But is it not clear to you, having looked at these two examples, that, as we privatize power generation, we enter onto very risky legal and financial grounds? One of the reasons we argued against the Mississauga plant and against the Oakville plant was that privatized plants carry these huge risks. If you read through the minutes, the emails, you'll see your officials, predecessors, obsessed with the idea that they were going to have to pay off profits for decades to come, whereas if these were publicly owned plants, you would be able to cancel them. There would be a hit on the profit to the construction company, but the risks are far greater as you privatize. If you're going to continue to privatize, we're going to continue to face these risks.

**Hon. Kathleen O. Wynne:** Well, you know, I'm not prepared to make the cause-and-effect link there. I hear what you're saying. I think that, as we have this discussion, that, obviously, is one of the points of view that has to be considered. But I believe that, given that there are 17 of these projects that went ahead and two that didn't—we certainly have a process that did not work. We need to look at all the aspects of that process and find a way to make sure that this never happens again.

1540

**Mr. Peter Tabuns:** Well, I'd suggest to you that it's a bigger problem than just the process, that it's the direction in terms of policy, privatization of the power system and a focus on gas power rather than investing in conservation and efficiency, which would have far less resistance and be far less expensive. You've taken a very high-risk course.

**Hon. Kathleen O. Wynne:** Again, we can have that policy discussion on the overall power mix. I certainly agree with you that going forward we need more conservation. That was one of the tenets of my leadership policy and I want to work towards that. But we are still going to have to have a mix of generating capacity.

**Mr. Peter Tabuns:** And are you taking back the lesson that privatized power is far more risky legally and financially?

**Hon. Kathleen O. Wynne:** I'm taking back the lesson that whatever happened here in these two processes, it didn't work. We did not have the transparency. We did not have the consideration of community input that was necessary in the first place. We haven't been able to clearly establish costs in a way that I think is appropriate, and so we need to learn from that and make sure that doesn't happen again.

Whether there's a philosophical underpinning that needs to be looked at, I think that's another discussion, but it certainly is a point of view that can be part of the going forward.

**Mr. Peter Tabuns:** In terms of processes, the Mississauga plant promise of cancellation was made—what?—within a week of a vote being taken. I gather you weren't consulted about it. The Minister of Energy wasn't consulted about it. I'd say that's more than just a bad process; that is a partisan political decision made to save seats.

**Hon. Kathleen O. Wynne:** Well, you know, you can characterize it that way. It's a decision that all the parties in the Legislature believed was the right one because we all believed that the plant shouldn't have been there and we had to undo a decision that had been taken prior.

**Mr. Peter Tabuns:** And which party was it that decided to put plants in those two locations?

**Hon. Kathleen O. Wynne:** I've heard you heckle that many times in the House, Mr. Tabuns. I understand that. But the reality is, we all believed that the placement of the plant needed to change, that it wasn't—that we shouldn't go forward with it. We all agreed to that, and we implemented that decision.

**Mr. Peter Tabuns:** But which party proposed it the first place?

**Hon. Kathleen O. Wynne:** Our party, our party, yes.

**Mr. Peter Tabuns:** So, in fact—

**Hon. Kathleen O. Wynne:** Our government. It was a decision—

**Mr. Peter Tabuns:** —you created a risk and we paid for it.

**Hon. Kathleen O. Wynne:** As I said, Mr. Tabuns, there was advice that was given—

**The Chair (Mr. Shafiq Qaadri):** One minute.

**Hon. Kathleen O. Wynne:** There was advice that was given. We followed that advice. We made that decision, and the process didn't work. The reality is that we made a determination, as did the other parties, that it was the wrong decision and that it needed to be overturned. We implemented that decision.

**Mr. Peter Tabuns:** But it didn't work in northern York region either, and they got stuck. I can't say it worked in my riding either, and we got stuck. I would say the difference between the cancellations and the plants that went ahead was the complexion of the ridings themselves, the political makeup.

**Hon. Kathleen O. Wynne:** I hope that we can take the lessons that are necessary from this situation—from both these situations—and we can ensure that it doesn't happen again, and I hope this committee will help us with that.

**Mr. Peter Tabuns:** Go ahead.

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Tabuns. The floor now goes to Ms. Cansfield.

**Mrs. Donna H. Cansfield:** Thank you, Premier, for coming here today and joining us. I wanted to start by asking you: When you were first invited to testify before this committee, was this the first invitation you received?

**Hon. Kathleen O. Wynne:** I think I offered to come to the committee. I anticipated that that could be a request and I made it clear that I would be willing—I think I might have even said that during the leadership

race, that I would answer any questions. I always knew that it would be a question that would be asked of me, and I had no problem saying that I would come and have this conversation.

**Mrs. Donna H. Cansfield:** Thank you. On a number of occasions, you've publicly committed to appearing before the committee on a voluntary basis. Why did you think that was so particularly important?

**Hon. Kathleen O. Wynne:** Well, because I knew that once I came into this office and we were entering into this discussion, there would be a desire to hear from anyone who might have been in a decision-making role, that I had been part of cabinet, that cabinet had made this decision and that it was our government that had implemented this decision, and I thought it was very important for me to be open and to let everyone know what I did know and what I didn't know. More than that, I really believe that it's important that the people of Ontario understand that I'm working as hard as I can, as the Premier, to provide the information that has been asked for.

This is not a good situation. It's not a situation that I would have designed. It's not a process that I would have designed. We need to find a way to make it better. The only way we're going to do that is to make sure that all the information is on the table, and then learn the lessons from that and design a process going forward.

**Mrs. Donna H. Cansfield:** Actually, that leads into the next question that I'd like to ask you. It's about the scope of the committee. On March 5, the motion was put forward by the government that significantly expanded the scope of this committee to deal not just with the matter of contempt, but also broader issues related to the siting and relocation of the gas plants. Why did you ask the House leader to take this step?

**Hon. Kathleen O. Wynne:** One of my concerns was that the scope of the committee was narrow. I believe it was narrowed just to the provision of documents around the issues surrounding Chris Bentley, and I really felt that that was not adequate; that there needed to be a broader discussion of the planning, tendering, commissioning, cancellation, relocation—all of that needed to be part of the discussion. That was why I wanted the mandate broadened.

We had talked, at one point, about a select committee that would have the authority to ask all of those questions and determine what its mandate would be. That notion was rejected by the opposition. It seemed to me that it was important to have some way of getting a broader discussion, because my sense was that there would be other questions that needed to be asked.

**Mrs. Donna H. Cansfield:** Similarly, the Liberal members of this committee put forward a motion requesting documents government-wide and for an expanded time frame, but, unfortunately, the opposition voted it down. Why did you ask us, the Liberal members, to take that step?

**Hon. Kathleen O. Wynne:** Again, I wanted this all to be dealt with at once. I wanted to make sure that if there

were documents in other offices, in other ministries, that we would get at that as quickly as possible, because it just seemed to me that to have one shot at this and to be able to get as much information as possible and have as complete a picture as possible would be really important.

I was uncomfortable with the confusion around documents coming in different tranches, so I wanted to make sure that we could have a body that would be able to ask for as broad a scope as possible in terms of documents and information.

**Mrs. Donna H. Cansfield:** You have discussed a lot about the openness and transparency. I just wanted to update you that numerous document production motions have been moved with all-party support and with thousands of documents that have been provided to us. Even Mr. Fedeli agrees. The other day he said we keep wonderfully receiving these documents.

I would like to ask you about one, and it's the letter you wrote to the Auditor General on February 7—which is being distributed—as Premier-designate. I have copies. What I'd like to ask is, can you explain why you took the additional step of asking the Auditor General to report on the Oakville relocation?

**Hon. Kathleen O. Wynne:** At that point, the Auditor General was looking at the Mississauga situation. It seemed to me that since there were going to be many questions about both of these relocations, it would be a good idea to have the Auditor General look at the Oakville relocation as well. Again, I wanted to make sure that if there were lingering questions, if there was lingering confusion, if there were understandings that were not shared about costs or about any of the process surrounding either of these relocations, that we get to the bottom of that, and, particularly, that we have an expert in financial matters look at the costs, because, obviously, at the end of the day, the cost to the people of Ontario is what's most important.

**Mrs. Donna H. Cansfield:** Earlier, you said something about supporting the decision to relocate the two gas plants. Why did you support that?

**Hon. Kathleen O. Wynne:** Because I believe that the decision was based on not just community input but—I think you've had both Chris Bentley and Minister Duguid here, and Minister Duguid talked about the changing demand that was in place. There were a number of factors that went into that decision, and I believe it was the right decision.

But primarily from my perspective, it was that all of the factors haven't been considered. When I said—Mr. Fedeli asked me about it being a political decision. I think that we got advice from the bureaucracy, we got advice from experts, but that advice did not take into account some of the community factors.

1550

**Mrs. Donna H. Cansfield:** Fair enough. If it wasn't for the politicians, would you agree that these two power plants would have been built, even though all three parties opposed them and the communities didn't want them?

**Hon. Kathleen O. Wynne:** Yes, it was the political intervention that allowed the decision to be overturned, and there was a cost associated with that. We knew there would be a cost associated with it; we didn't know what that cost would be. But we did know that it was the right decision for those communities.

**Mrs. Donna H. Cansfield:** There has been some discussion about your role as the vice-chair of the Liberal campaign, and you've explained that very well. I want to ask a question about whether or not you were responsible for approving specific campaign announcements and commitments.

**Hon. Kathleen O. Wynne:** No, I wasn't.

**Mrs. Donna H. Cansfield:** Thank you. In that case, it doesn't seem unusual that, as campaign vice-chair, you wouldn't have been consulted on something like the decision to cancel the Mississauga plant. Would that be correct?

**Hon. Kathleen O. Wynne:** No, it was not unusual, and I wouldn't necessarily have expected to have been consulted on a specific announcement like that.

**Mrs. Donna H. Cansfield:** There was a series of questions I think Mr. Fedeli asked, and it was about the documents—I think it was document 1, and—

**Hon. Kathleen O. Wynne:** Actually, can I just go back to your previous question?

**Mrs. Donna H. Cansfield:** Sure.

**Hon. Kathleen O. Wynne:** Because I was the Minister of Transportation at the time, if there had been an announcement about a Ministry of Transportation issue, whether I'd been the vice-chair or not, I would have expected to be consulted on that. I wasn't the Minister of Energy, and so I wouldn't have expected to have been consulted on that.

**Mrs. Donna H. Cansfield:** Well, that makes sense.

**Hon. Kathleen O. Wynne:** Yes.

**Mrs. Donna H. Cansfield:** I wanted to go back, because Mr. Fedeli was asking about document 1 and the details of the negotiations. You spoke about your limited involvement in these issues prior to becoming Premier, and you mentioned you were one of four cabinet members that signed off on cabinet minutes. How are those four members chosen?

**Hon. Kathleen O. Wynne:** Well, as I said, often I was one of the ministers who were briefed and who signed off on those walk-arounds, as we call them, because I was available. Because I was in my constituency office—Don Valley West is not far from downtown; my office is on Eglinton Avenue—I was often available at a time when the House wasn't sitting, which is the reason that there would be a need to find ministers to sign off on a document.

**Mrs. Donna H. Cansfield:** Thank you. In terms of the cabinet meetings immediately following the government's decision not to move forward with the Mississauga plant, former Deputy Minister of Energy David Lindsay testified that while cabinet was provided with a status update on the negotiations, they would not have been made aware of any specific details or numbers. I'm

going to quote him, for his words: Cabinet "definitely would not be involved in these discussions." Would that be your recollection of what information would have been provided at the time?

**Hon. Kathleen O. Wynne:** Indeed, and when I say that cabinet would not have had those detailed discussions about cost or the financial parameters or the specific negotiations at the table, that's the case for other negotiations as well. The reality is that negotiations have to be, by definition, confidential, so there would not have been a specific discussion of specific items that were being negotiated, at that table or other tables where negotiations were under way.

**Mrs. Donna H. Cansfield:** Thank you. Almost every witness who has been here has testified at this committee and has confirmed that all three parties committed to cancelling both power plants. Oakville Mayor Burton told the committee that he "won promises from all parties to stop the proposed power plant," and Mayor McCallion from Mississauga also said, "I think all parties would have cancelled it...."

We have transcripts, campaign literature and robocall scripts that highlight these commitments made by the opposition parties. As a matter of fact, there were a few in my own riding. Doesn't it seem a bit odd that the PCs and the NDP openly criticize our government for these decisions while actually refusing to make any commitment on their own, when in fact they did make that commitment during the campaign?

**Hon. Kathleen O. Wynne:** Well, we all understand now how this all works. I understand that there are questions to be raised, and to be fair, it's the opposition's job to raise questions and to make sure that government is held to account. In this instance, as you say, there was pretty unanimous agreement—as far as I know, unanimous agreement—that these gas plants needed to be relocated, that the decisions needed to be overturned.

For me, what is of great concern is that we do better next time, that this not happen again. My hope would be that, out of this process that is part of the democratic parliamentary process, we come up with a better and more transparent and clearer path if such a situation arises again.

**Mrs. Donna H. Cansfield:** I'd like to do a chronological bit of an order around costs, because last July, the government announced that the cost to relocate Mississauga was \$190 million. In September, the government announced sunk costs of \$40 million for Oakville as well as some future costs and savings which hadn't been estimated at the time. So what led you to believe that these were the costs?

**Hon. Kathleen O. Wynne:** I was told those were the costs. I was told by the people on whom I rely for information—those were the ministers, the ministers' staff and the experts. We get that information, and those are the numbers that I was given. We have subsequently learned that those numbers have changed, and so that's what this process is about.

**Mrs. Donna H. Cansfield:** This morning, when Colin Andersen was in, he testified before the committee.

When he was asked about these original cost estimates, he confirmed, and I'll quote again: The government "relied on OPA numbers, and that's true.... we did provide them with the numbers. That is what you would expect."

Would you agree that any numbers the government would have used would have been provided for and approved by the OPA?

**Hon. Kathleen O. Wynne:** Absolutely. That's where we got the numbers. Government got the numbers from the OPA. I would not have gotten those numbers from the OPA; I would have gotten them from the Ministry of Energy and from the Minister of Energy, through the OPA. That was where we got those numbers. That's where the experts were.

**Mrs. Donna H. Cansfield:** When you got the \$33 million from the OPA in March 2013 on the Oakville plant, you were briefed on those numbers. Did you accept those numbers at the time?

**Hon. Kathleen O. Wynne:** It was a range. It was a range of between \$33 million and \$136 million. That's a pretty big range, so that confirmed to me that we needed a financial expert to look at the way these numbers were being calculated and to determine what the best assessment of the situation was, because I wasn't satisfied that a range of \$33 million to \$136 million was concrete enough to be able to talk about—

**Mrs. Donna H. Cansfield:** That's reasonable. After the AG's report came out on Mississauga, the opposition asked for an update on the OPA's numbers for Oakville. In the interest of openness and transparency, last week Minister Chiarelli wrote to the committee that the Liberal members would put forward a motion to invite the OPA to testify the following day to provide an update of the estimates, and there's a letter. Interestingly enough, that particular motion was actually voted down.

Nevertheless, Mr. Andersen testified before the committee this morning, and he provided the committee with two new numbers. Were you aware of the new numbers that Colin brought forward?

**Hon. Kathleen O. Wynne:** No, I wasn't, not until this morning.

**Mrs. Donna H. Cansfield:** Given that there have been four different numbers in one month, would you believe that it's very important that we all wait for the auditor's report?

**Hon. Kathleen O. Wynne:** Yes. I think that you're making the argument for me that we need the Auditor General's report. I don't understand why there wouldn't have been a desire to have the OPA come forward earlier when Minister Chiarelli proposed it, but the fact is, he was here today, and that's a good thing. I did not know about those numbers, but it certainly confirms for me why the Auditor General's report is important.

**Mrs. Donna H. Cansfield:** Thank you, Chair. I think Mr. Del Duca has a question he might like to ask.

**The Chair (Mr. Shafiq Qadri):** Mr. Del Duca, the floor is yours.

**Mr. Steven Del Duca:** Thank you, Mr. Chair; thank you, Ms. Cansfield; and thank you, Premier, for being here today.

In the first round of questioning from Mr. Tabuns and the NDP, there was an issue that came up regarding the York region power plant. I just wanted to read into the record—earlier today, when Colin Andersen from the OPA was here, he spoke at length to this particular issue. He testified this morning that the situation in northern York region was quite different from Oakville, and specifically he said that the circumstances were very different; that northern York region was either on the brink or that they had passed the point of meeting reliability standards. In his words, they were very much more in need of a very immediate solution than the circumstances that they found themselves in with respect to Oakville. I thought it was important to clarify that point.

1600

**Hon. Kathleen O. Wynne:** In fact, it was the reverse in the other two gas plants, where the capacity wasn't necessarily needed, yes.

**Mr. Steven Del Duca:** I'd like to move on with the remaining time in this round to talk a little bit about the former Minister of Energy, our former colleague, Chris Bentley. I'd like to ask you about the situation that arose in May 2012 at the estimates committee. As you know, the committee passed a motion by Mr. Leone asking for all correspondence within a specified time frame from the Ministry of Energy and the OPA related to the Mississauga and Oakville gas plants. At the time the motion was passed, complex and sensitive negotiations were ongoing with both companies.

Last week, when Mr. Bentley was here before this committee, he told us, and I'm going to quote him: "The advice I received, and my belief, was that producing the documents and discussing our ongoing negotiations at that time would have significantly hurt our ability to limit the costs of the cancellations and negotiate a relocation and would have increased the cost to the people of Ontario. Having said that, I always intended to produce the documents. It was a question of when, not if."

What do you think about Minister Bentley's decision to wait to release these sensitive documents until the deals were finalized? Do you believe he was, as he said, looking out for the public interest?

**Hon. Kathleen O. Wynne:** Just this past weekend I watched Minister Bentley's testimony, and I absolutely believe that he was acting in the best interests of the people of Ontario. I've known Chris Bentley for 10 years, and in his capacity as an elected official I've never seen him do otherwise. I mean, he always took into account what was in the best interests of the people of Ontario, and did it with integrity. So I absolutely believe him and I think that he made it clear, through that gambit and otherwise, that he was very concerned with releasing information that could do damage and could actually end up costing the people of Ontario more.

**Mr. Steven Del Duca:** Thank you for that. At this point, is there anything else you want to expand on from

the questions that you've heard from our caucus so far in this round?

**Hon. Kathleen O. Wynne:** No, I think just to be clear that I am glad that we're able to have the opportunity to hear from all of the people who may or may not have been directly involved. I think it's extremely important. You know, all of you who are part of our government know, that we want to find a better process going forward, and that's really what this conversation has to be about.

**Mr. Steven Del Duca:** Great. Thank you.

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Del Duca. The floor goes to the PC side. Ms. MacLeod.

**Ms. Lisa MacLeod:** Thanks very much, Chair. Welcome to committee, Premier. It's nice to see you here and I want to thank you for coming. I know after the hard-hitting questions in the last round, you'll probably enjoy having a discussion and a conversation about the process with me.

**Hon. Kathleen O. Wynne:** Looking forward to it, Ms. MacLeod.

**Ms. Lisa MacLeod:** In the last couple of rounds, my colleague Mr. Fedeli and my other colleague from the third party, Mr. Tabuns, asked you a number of times about the \$40 million cost and the additional dollars over that and when you were aware of it. You haven't given us an answer. So I'm going to attempt another time, asking when you and other cabinet ministers were first aware that the cost of this power plant and its cancellation would be above \$40 million.

**Hon. Kathleen O. Wynne:** Forty million dollars was the amount that we were told were the sunk costs, and that was the number that we were using. That was the number that the OPA gave us, and to the best of our knowledge—to the best of my knowledge—that was the cost.

**Ms. Lisa MacLeod:** But I guess the question is—I mean, it's been acknowledged by David Livingston, David Lindsay, by Mr. Andersen, Ms. Butler, Shelly Jamieson—they all point that from the outset everyone knew it was going to be more than \$40 million. So at some point, you and your cabinet had to have been aware that this was over \$40 million, yet at the same time, you told the public, including members of this assembly—in fact, you said it in the assembly—that it was still only \$40 million. I really think, on behalf of my colleagues in the opposition and the taxpayers of this province, we'd like to know when: When did you find out in a cabinet briefing or from ministry officials or from the OPA that that number was higher, and why didn't you inform the public then? That is a very serious cause of concern for all of us, and I think if you could shed some light on that, we'd very much appreciate it.

**Hon. Kathleen O. Wynne:** My understanding of the \$40 million was that that was the cost. There has been, to this day, right to today—I do not have confidence or clarity that we know exactly what the cost is.

**Ms. Lisa MacLeod:** But you acknowledged, Premier, earlier today that you knew it was over \$40 million and

you've chosen to lowball. I think in your own statement—and if I may read this because this is a cause of concern, and I'm sure that members of the public are asking this, too.

You said in your statement, "... the OPA's estimate for the cost to relocate Oakville was between \$33 million to \$136 million." Why were you using a lower number when you knew the cost could explode? Did you just feel it was easier not to tell the public what the truth was?

**Hon. Kathleen O. Wynne:** Well, actually, Ms. MacLeod, the range, \$33 million to \$136 million, actually there's a lower number there than \$40 million.

**Mr. John Yakabuski:** There's the high one, too.

**Hon. Kathleen O. Wynne:** And there's a high one, absolutely. There was no clarity on what the number was. It was very important to me that not only should the Auditor General look at the Mississauga situation but also at the Oakville plant—

**Ms. Lisa MacLeod:** But you didn't think at any point ever that this was going to be lower than \$40 million?

**Hon. Kathleen O. Wynne:** Well, I didn't know.

**Ms. Lisa MacLeod:** You knew it was going to escalate.

**Hon. Kathleen O. Wynne:** I didn't know. When I was briefed on this document and the range was \$33 million to \$136 million, I didn't know.

**Ms. Lisa MacLeod:** What was the date of that meeting?

**Hon. Kathleen O. Wynne:** The date of this document is March 20.

**Ms. Lisa MacLeod:** And, on March 20, was that the first time that you say that you felt that this was going to be—

**Hon. Kathleen O. Wynne:** That's the day I got these numbers.

**Ms. Lisa MacLeod:** Okay. So Shelly Jamieson, David Livingston, David Lindsay, Ms. Butler—I believe her name's JoAnne—and Mr. Andersen who testified today said at the outset you would have known as a member of cabinet. It's a question that begs to be asked. Are you not forthcoming with the date and what number you knew this was going to cost because you're under oath?

**Hon. Kathleen O. Wynne:** I'm telling you that \$40 million was the number I had until I had a number—the \$33 million to \$136 million. The Minister of Energy has said that there was a memorandum of understanding that made it clear that there could be other costs associated, but we did not have a number that—I think the term was "crystallized," that Colin Andersen used. There wasn't another number that we could point to and say, "Well, it's either \$40 million or it's that number." We didn't have another number. I have since—and I've told you I was given this document—\$33 million to \$136 million was the range. There was another number today. The lack of clarity on what those costs were made it, to me, clear that we needed to have the Auditor General look at what the situation was.

**Ms. Lisa MacLeod:** Premier, I appreciate you don't want to answer this question, but it is important.

**Hon. Kathleen O. Wynne:** I am answering the question.

**Ms. Lisa MacLeod:** The OPA said you were party to the MOU that said it was going to be more than \$40 million. I don't think that there is a cabinet minister or a cabinet minister staffer in the country who doesn't think that you would not have read the terms to that MOU and you would have just blindly signed it. There's either an issue here with you telling the truth to us or there's a point of incompetence here.

At some point, Premier, we're going to have to get to the bottom of that because we know, for example, that your cabinet, your party, has relied on a number of \$40 million. We know that there's been numerous testimony here from very credible witnesses who said you were aware, your cabinet was aware, of other costs.

So I ask you one more time: Given you were party to an MOU that stated that the cost would be over \$40 million, given the testimonies of Jamieson, Livingston, Lindsay, Butler and, today, Andersen that you knew of the cost at the outset, why did you decide not to share or bother or continually and intentionally leave the wrong number out there?

**Hon. Kathleen O. Wynne:** I did not—

**The Chair (Mr. Shafiq Qadri):** Ms. MacLeod, just as you continue, I'd just respectfully invite you to please use more parliamentary language.

**Ms. Lisa MacLeod:** Which, what—I'll withdraw. I withdraw.

**The Chair (Mr. Shafiq Qadri):** Please continue. Thank you.

**Hon. Kathleen O. Wynne:** I relied on the information that I was given by the OPA. Forty million dollars was the number that we were told. I have since been given documents that suggested that the cost could be between \$33 million and \$136 million. There has not been a firm cost associated with this plan. Today, we learned another number, and I believe that it is imperative that we wait for the Auditor General to weigh in on the costs of this project.

**Ms. Lisa MacLeod:** Just quickly—

**Hon. Kathleen O. Wynne:** Because there was no clarity, I think it is very fair to say—the memorandum of understanding was available. There was an indication that there could be other costs, and that was in the public realm, but \$40 million was the number that we were given, and as recently—

**Ms. Lisa MacLeod:** But, Premier, I have about two minutes left—

**Hon. Kathleen O. Wynne:** Could I just finish—

**Ms. Lisa MacLeod:** I have two minutes left, and I just want to ask one final question.

1610

**Hon. Kathleen O. Wynne:** Could I just finish, Mr. Chair?

**Ms. Lisa MacLeod:** First of all, we know that they said at the OPA that you had seen the MOU that there were more costs. Shelly Jamieson—I'll quote her—said

“buckets of costs.” You're not telling us what the true number was and when you knew it.

**Hon. Kathleen O. Wynne:** I didn't—

**Ms. Lisa MacLeod:** And that is a problem. The other thing is—and I really want to say this on behalf of taxpayers—why aren't you taking responsibility for this? Why aren't you apologizing to the people of this province? Why aren't you here today saying, “I'm sorry”? This is not Dalton McGuinty's mess; it is the Liberal Party of Ontario's mess, and it is your mess, too.

**Hon. Kathleen O. Wynne:** I have said I regret this situation. I have said it repeatedly. I regret this situation. And I have said that I take responsibility to make sure that this never happens again. I have taken responsibility since the day I came into this office.

There was no true number, as you're saying it, because the number has changed. We relied on the information that was given to us by the OPA. We relied on it consistently, and at every juncture I gave the information that I had been given by the OPA. As recently as March 20, the information I was given by the OPA was that the cost could be as low as \$33 million. That's the reality. That's the truth as I know it. That is exactly what I have said today, and I will continue to say that.

**Ms. Lisa MacLeod:** Just quickly, I just want one point and then I'll ask a quick question and I'll leave it to you. Again, I do appreciate you coming in here.

First of all, qualifying the truth “as you know it” every single time I don't think instills a lot of confidence in the public toward your government. Finally, my last question to you is this: Did you ever meet with Dalton McGuinty about these two plants, either as Premier or as a cabinet minister?

**Hon. Kathleen O. Wynne:** No.

**Ms. Lisa MacLeod:** Were you ever briefed by his staff, either as Premier or as a cabinet minister?

**Hon. Kathleen O. Wynne:** Only insofar as I was signing off on a cabinet walk-around, as I said earlier, and there were no numbers associated with that briefing.

**Ms. Lisa MacLeod:** Why did you not read the MOU?

**Hon. Kathleen O. Wynne:** I was relying on information that had been given to me and had been given to our government by the OPA, and continued to rely on it up until today, and the numbers have continued to change. So there was no absolute—

**Ms. Lisa MacLeod:** But that MOU stated very clearly it was over \$40 million.

**Hon. Kathleen O. Wynne:** There was no absolute number, and I have done everything in my power to open up this process so people could get the answers that they needed.

**Ms. Lisa MacLeod:** So you've always known it was—look, Premier, I just want to say thanks.

**Hon. Kathleen O. Wynne:** I just need to say, I have not known what the number was. I was told it was \$40 million. I'm as frustrated as anyone around this table—

**Ms. Lisa MacLeod:** But you knew it was more than \$40 million.

**Hon. Kathleen O. Wynne:** I did not know that; I did not know what the number was.

**Ms. Lisa MacLeod:** But you just said that today, in your testimony earlier with my colleagues.

**Hon. Kathleen O. Wynne:** I said—

**Ms. Lisa MacLeod:** You actually stated in March that you had a briefing from officials.

**The Chair (Mr. Shafiq Qaadri):** Thank you, Ms. MacLeod. The floor now passes to Mr. Tabuns.

**Mr. Peter Tabuns:** In fact, Mr. Chair—

**The Chair (Mr. Shafiq Qaadri):** Mr. Natyshak.

**Mr. Taras Natyshak:** Premier, thank you for your testimony thus far.

**Hon. Kathleen O. Wynne:** My pleasure.

**Mr. Taras Natyshak:** I'd like to talk about perception. The general public out there, obviously, has had a long time to digest what's happened here at Queen's Park in relation to the cancellation of the Oakville and Mississauga gas plants. I want to see if you agree with what I'm hearing, and what we're all hearing, in terms of how people perceive what's happened. They see that the Liberal government commissioned two gas plants in Oakville and Mississauga, in unpopular locations. They see that public opposition to these gas plants reached a fever pitch right around the election timing of the campaign. They see that a "politically motivated"—your words—announcement to cancel these plants was made—

**Hon. Kathleen O. Wynne:** I didn't say "politically motivated." I said it was a political decision.

**Mr. Taras Natyshak:** It was a political decision.

**Hon. Kathleen O. Wynne:** Made by politicians.

**Mr. Taras Natyshak:** We're talking perception.

**Hon. Kathleen O. Wynne:** Yes.

**Mr. Taras Natyshak:** So they hear that. Just in the nick of time, minutes before election day. They see that there were no thoughts through that decision as to the costs associated with the gas plant cancellation, no thoughts of the overall costs at that very moment. They also see that since that time opposition members have struggled to get concrete answers from the government related to costs and documents that are associated. Would you agree with that perception that I feel is palpable within the general public?

**Hon. Kathleen O. Wynne:** Well, I'm not going to contradict what you think the perception is, but I would add—

**Mr. Taras Natyshak:** Do you agree?

**Hon. Kathleen O. Wynne:** I agree that there are aspects of that that may be embedded in people's minds. I think that kind of characterization speaks to the frustration that certainly I feel, my government feels and certainly the opposition feels. But on top of that, I think that a troublesome piece of perception is that it has been very difficult for the politicians, government or otherwise, to get concrete answers.

**Mr. Taras Natyshak:** Hear, hear.

**Hon. Kathleen O. Wynne:** That is a real problem from my perspective—

**Mr. Taras Natyshak:** I can attest to that.

**Hon. Kathleen O. Wynne:** —and I've been in a situation trying to provide concrete answers and concrete

information, and it's very difficult given that the numbers keep changing. And I think we've had experts explain why the numbers keep changing, and it's not that I am second-guessing experts, but it's very frustrating not to be able to get more concrete answers—

**Mr. Taras Natyshak:** We feel that frustration, Premier.

**Hon. Kathleen O. Wynne:** Yes, absolutely.

**Mr. Taras Natyshak:** Thank you. Can you tell us what your role was as a campaign co-chair? What does that mean? What do they do?

**Hon. Kathleen O. Wynne:** Vice-chair, okay?

**Mr. Taras Natyshak:** Okay.

**Hon. Kathleen O. Wynne:** What I said earlier today was that my role in the campaign was to be out in the field, to be in ridings. I was doing fundraisers in some parts of the province in unheld ridings. I was working with candidates. I was doing some media in some of the smaller media markets to talk about our campaign.

**Mr. Taras Natyshak:** Would you also be privy to strategic policy development?

**Hon. Kathleen O. Wynne:** Not on a day-to-day basis. I was in the higher-level discussions around policy, but I was not involved, once the campaign started—because there were meetings leading up to the campaign that the campaign committee held, and I was part of those meetings, but those were quite large meetings. The day-to-day implementation as we were in the campaign—I was not part of those.

**Mr. Taras Natyshak:** Did you discuss, as campaign vice-chair, the situations in Oakville and Mississauga as they related to the gas plants?

**Hon. Kathleen O. Wynne:** No.

**Mr. Taras Natyshak:** No. Did you discuss specific polling numbers related to those five ridings that surround it?

**Hon. Kathleen O. Wynne:** No.

**Mr. Taras Natyshak:** You didn't.

**Hon. Kathleen O. Wynne:** I did not.

**Mr. Taras Natyshak:** Did you discuss whether those were winnable ridings as an assessment of the overall fortunes of the Liberal Party at that time?

**Hon. Kathleen O. Wynne:** Quite honestly, I was not part of those kinds of discussions. We had general discussions about general polling, the direction that the government was going in and the policies that we had in place, but the riding-by-riding strategy—I was not part of that discussion.

**Mr. Taras Natyshak:** Were you aware that up until the point your party's announcement was made, the gas plants were a source of consternation for your candidates? Were you aware that they were feeling the amount of pressure that we know obviously existed?

**Hon. Kathleen O. Wynne:** I knew generally that they were an issue, Mr. Natyshak, but I was not engaged in the day-to-day impact of those decisions on the candidates. I've since become aware, obviously.

**Mr. Taras Natyshak:** Okay. There came a point where the campaign promise—it became a promise, right?

**Hon. Kathleen O. Wynne:** On the part of all three parties, as I understand it.

**Mr. Taras Natyshak:** Well, we'll get to that. You were also monitoring all the other party leaders at that time as campaign vice-chair.

**Hon. Kathleen O. Wynne:** Right.

**Mr. Taras Natyshak:** You would have known what they were talking about on various issues.

**Hon. Kathleen O. Wynne:** Right.

**Mr. Taras Natyshak:** I'll read you a quote, Premier, and we'll see if you can recollect. It's from the Canadian Press, October 5, 2011. Andrea Horwath: "Last-minute promises like that"—in reference to the gas plant cancellation—"people have to decide whether they're credible or they're not. Now Mr. Hudak's making the same claim, we don't know what that's going to cost. I think what both these guys need to do is be really upfront with the public about what the cost of cancelling these deals is going to be." So you would—

**Hon. Kathleen O. Wynne:** Fair enough, but the reality is, that would have been impossible.

**Mr. Taras Natyshak:** Do you remember seeing that from Andrea?

**Hon. Kathleen O. Wynne:** I don't remember seeing that.

**Mr. Taras Natyshak:** You're aware that she addressed that these were unknown costs and—

**Hon. Kathleen O. Wynne:** I don't remember her specific language around this issue. I'll just be honest with you; I don't remember that. It's completely consistent with what your leader has said since then, but it would have been impossible, we know now—

**Mr. Taras Natyshak:** It's inconsistent with what your party has said. In terms of what our position was, we would not have cancelled the gas plants not knowing what the full costing would have been.

I need to ask you about the policy during the election. Those are promises, and people expect to see them fully nuanced and costed out. Was the Liberal Party platform fully costed during the election?

**Hon. Kathleen O. Wynne:** I'm just going to say that my understanding is that your candidates were clear that you would cancel the gas plant. I think you've had testimony at this committee that said that there was an understanding that the gas plants would have been cancelled. So that is my understanding.

What was your other question? Sorry.

**Mr. Taras Natyshak:** Was the campaign fully costed out, your platform?

**Hon. Kathleen O. Wynne:** Yes. But if you're going to ask me for the specifics, I'll have to get back to you.

**Mr. Taras Natyshak:** No, I'm not going to ask you for the specifics; I'm going to ask you at the point at which the promise, which then became a campaign platform issue, was made—did you refine the platform? Did you address the cost?

**Hon. Kathleen O. Wynne:** No. I think it's clear from what has transpired that yes, the platform was costed, but the reality is that it would have been impossible for us to

estimate exactly what the cost of the cancellation would be. We've been clear about that.

1620

**Mr. Taras Natyshak:** Premier, back to the perception that the people of this province see a party and its leadership, whether they be campaign co-chairs—

**Hon. Kathleen O. Wynne:** Vice-chair.

**Mr. Taras Natyshak:** I apologize—campaign vice-chairs or the then Premier and various ministers, recklessly make a promise without any knowledge of the ramifications and without any knowledge of the costs. My question to you is: Do you think that that's what leadership means, to go about a direction of the government, or whether it's through a campaign, without fully knowing the cost to the public?

**Hon. Kathleen O. Wynne:** Well, I think the reality is that in a situation like this, a major infrastructure project, if the decision is made that it's not going to go forward, there will be a cost attached to it. I understand your position that you were in a different position in terms of the initial decision, but the reality is that all the parties had said that they were going to cancel the gas plant. If that is the case, then there will be a cost associated with that, and it would have been impossible for anyone to know exactly what the cost of that would be.

**Mr. Taras Natyshak:** You just acknowledged that you monitored media during the campaign, and I read you a quote from October 5, 2011, that our leader indicated that she would not recklessly cancel any contract that didn't have costs associated to it. Would you say that that was a prudent direction at that time?

**Hon. Kathleen O. Wynne:** There has been testimony—

**The Chair (Mr. Shafiq Qaadri):** One minute.

**Hon. Kathleen O. Wynne:** —at this committee that all parties undertook that they would cancel the gas plants, so the reality is that there was going to be a cost associated with that, and no one could have known what that cost would be.

**Mr. Taras Natyshak:** I contest that. It's here in black and white that our leader, at that very moment, stated categorically that she would not cancel any plant without knowing—

**Hon. Kathleen O. Wynne:** But there has been testimony at this committee. I'm quite clear that there has been testimony—

**Mr. Taras Natyshak:** I mean, you're getting it from the leader. I guess my question is back to leadership. Is that the type of leadership that we can expect going forward? You talked about the fact that there will be other cancellations, whether they be in energy or otherwise. Can we expect a continuation of recklessly cancelling contracts without knowing the full costs?

**Hon. Kathleen O. Wynne:** I've said clearly that we need a better process going forward, and when I said there may be other situations like this, I was talking about over the next 50 years. There may be decisions that the government has to reverse, and we need a better process going forward.

**The Chair (Mr. Shafiq Qadri):** Thank you, Mr. Natyshak. The floor goes now to Ms. Cansfield for the final 10 minutes.

**Mrs. Donna H. Cansfield:** Thank you very much. I just wanted to have an opportunity to chat a little bit about a walk-about, since I've had some dealings with walk-about. It will just help, again, to put it into some time frame and into some perspective.

On July 29, 2011, you were part of a walk-about that authorized the Ministry of Energy to enter into an agreement with TransCanada under the Arbitration Act to engage in settlement discussions etc., report back to cabinet and authorize the Minister of Finance. That was in July. That's all this walk-about did. That's all. Nothing more—

**Hon. Kathleen O. Wynne:** It was to enter into a process.

**Mrs. Donna H. Cansfield:** And I can attest that you get nothing more than this.

**Hon. Kathleen O. Wynne:** Right.

**Mrs. Donna H. Cansfield:** And then it was reported into cabinet on August 10, and then it came back on October 3, 2012. That, in itself, speaks to the extraordinary complexity of negotiations, just simply by the time frame.

**Hon. Kathleen O. Wynne:** Exactly.

**Mrs. Donna H. Cansfield:** And I think it shows that none of this is going to happen in a snap and that it's very complex. That's part of the challenge that you faced in that constantly those numbers were changing. We've had four so far. You've come back and restated that that's why you went to the auditor. Would that be correct?

**Hon. Kathleen O. Wynne:** Absolutely, and nobody could have anticipated (a) how long it was going to take or (b) what the cost was going to be at the end of the settlement, because that negotiation was going to take time. There was going to be a back-and-forth, and obviously it took a long time. The complexity is the reason for that.

**Mrs. Donna H. Cansfield:** Thank you, Premier.

**The Chair (Mr. Shafiq Qadri):** Mr. Del Duca.

**Mr. Steven Del Duca:** Thank you, Mr. Chair. My voice is loud enough even without a mike on.

There were a number of things that you heard from the NDP caucus earlier, Premier, and I just wanted to shed a little bit of light on—I know that it sounded, from my perspective, like a tiny bit of revisionist history coming from you, from that side.

Just to read into the record, back in September 26, 2011, Peter Tabuns, MPP: “We wouldn't build it” in reference to the Mississauga plant. September 26 was during the election campaign itself. The local NDP candidate confirmed that the NDP would cancel the plant. The quotes go on; we've heard them in the Legislature. You are quite right to point out that they were of the same mind with respect to those issues.

Also, we heard earlier today from the—despite what the PC caucus is trying to allege, you told us that you were aware of the September 24 MOU with the \$40-

million sunk cost, or the additional costs, and additional savings, but that the OPA did not have those estimates at the time. You also said you received a briefing that, as of March 20, the OPA's estimates were in the range of anywhere from \$33 million to \$136 million, and then you said that the Minister of Energy invited the OPA to come to this committee to provide an update, which the OPA did this morning, as we all know. I think you've been very, very clear on what you've known throughout this entire process with respect to the cost associated with Oakville, so I want to thank you for being very clear with the committee.

I want to cycle back to where I was when I finished the first round of questioning, talking about our former colleague, Chris Bentley. As you know, part of this committee's job is to review the Speaker's finding of a prima facie case of privilege with respect to the production of documents by the Minister of Energy and the OPA.

As you said earlier, you worked with Mr. Bentley for many, many years. Can you please elaborate, share your views on him, not only as a member of cabinet but also as a person?

**Hon. Kathleen O. Wynne:** I know that in every instance, Chris Bentley would have done what he believed to be in the best interests of the people of Ontario. I also know that he's a man who was very clear on following the rules. He would have done everything in his power to make sure that we were, as a government, following the rules; by that, I mean following the letter of the law and following the procedures that—the framework within which we were operating. So at every instance, whether it was a request for documents or whether it was a question about cost, he would have delivered the absolute truth that he'd been given.

I have the utmost respect for him and I think that he was very clear when he came and spoke before the committee why he made the decisions that he made, and that he made those decisions in the best interests of the people of Ontario, because he was concerned about the timing of the release of information because it was a sensitive discussion, a sensitive negotiation, and he wanted to make sure that documents weren't released and thereby undermine the negotiations. So my respect for him is complete and I think that, as I say, he did what he did in the best interests of the people of Ontario.

**Mr. Steven Del Duca:** Thank you. When Mr. Bentley was here before the committee—and I think it might have been the last question or the second-last question that he was responding to—he had the following to say about the personal impact that this issue has had on him, and I'm going to quote him here; I think it's really important to do so: “I think it would be fair to say that this past year has been one of the most difficult I could ever imagine.

“The sacrifices that families make in public life are enormous, far beyond what most people would even begin to think, but the sacrifice and effect that my family has had over the past year has been incredible. I'm sorry that I put them through that by effectively doing what I always wanted to do, which was to serve the people.”

When you hear that statement, when you hear those remarks from Mr. Bentley, what's your reaction?

**Hon. Kathleen O. Wynne:** It's a mix of sadness and what I would have expected from him. I know it was an extremely hard year; I know that he was trying to do his very best to live up to the expectations of his constituents, of the government, of the people of the province. It was a very difficult situation because of the lack of clarity in all of the information that was or was not available.

It's one of the reasons that I wanted to be so clear that we carry on and we get to the bottom of this and we make it absolutely clear that he acted in the best interests, that he acted with integrity, because I know he did and so that has been my contention; it will continue to be my contention.

**Mr. Steven Del Duca:** Thank you. So in terms of moving forward, I know that earlier today we talked a little bit about the expanded scope of the committee. At the end of the day, what type of advice and recommendations are you hoping to see from this committee?

**Hon. Kathleen O. Wynne:** Well, I really hope that this committee will be able to give us advice on how to avoid ever getting into a situation like this again, to make sure this doesn't happen again, to make sure that information can flow the way it needs to, that there is a better understanding of what costs might be or how the decision-making process should work going forward, because it hasn't been clear. It's still not clear, and I think we need some advice.

You have listened to hours of testimony, and I look to the committee to bring forward a report that will inform decision-making going forward.

**Mr. Steven Del Duca:** Is there anything else you'd like to tell the people of Ontario regarding this issue?

**Hon. Kathleen O. Wynne:** Just that I am committed to openness. That's why I'm here. That's why I came today. It's why I wanted the justice committee to have the purview that it has, that it could ask all the questions necessary.

I regret that we're in this situation. I regret that we didn't make a better decision to start out with and that the process was not better throughout. I believe it's a decision that any party—all parties—would have made. We implemented that decision, and I look forward to the report of the committee.

**Mr. Steven Del Duca:** Thank you very much. Thanks for being here today.

**Hon. Kathleen O. Wynne:** Thank you.

**The Chair (Mr. Shafiq Qadri):** Thank you, Mr. Del Duca and the government side. On behalf of the Standing Committee on Justice Policy, Premier, I'd like to thank you for your time, the gesture of your presence and your endurance. You are respectfully but officially dismissed.

**Hon. Kathleen O. Wynne:** Dismissed.

**The Chair (Mr. Shafiq Qadri):** I presume folks would like to scrum with the press. We still have three or four items left, so I'm willing to take a five-to-10-minute-or-so recess.

**Mr. Victor Fedeli:** Chair, all I want to do before the Premier leaves is ask for copies of the talking points I referred to.

**The Chair (Mr. Shafiq Qadri):** That can be done in the absence of the Premier. That's fine.

**Mr. Victor Fedeli:** You'll be receiving a letter with respect to the talking points—

**The Chair (Mr. Shafiq Qadri):** We'll take a five-to-10-minute recess, but I do encourage all members to please return, because we do have three or four items left on the agenda. Thank you.

*The committee recessed from 1632 to 1643.*

**The Chair (Mr. Shafiq Qadri):** Thanks, colleagues. We're back in session. There are three or four items that we still need to deal with. First, to let you know, the draft report will be distributed, hard copy, this Friday. We'll be having a meeting on Monday, May 6, after question period for the writing. We still needed to determine whether we'll do that in a kind of an open or closed session format.

The other thing as well: There are some documents of a confidential nature. They've been flagged. Two of the caucuses—caucuses or cauci?—have receipted these, the government and the PC side, from Infrastructure Ontario. There's another group from OPA. We need to decide, as I mentioned earlier this morning, whether we respect their call for full confidentiality, whether we go to a viewing room or a room with a view, or whether we meet in camera for this. Now, if you're prepared to answer these questions now, please do. If you need more time and discussion etc., that's fine also.

**Mr. Peter Tabuns:** I would prefer more time.

**The Chair (Mr. Shafiq Qadri):** More time and discussion? Agreement?

**Mr. Victor Fedeli:** You mentioned that two parties have it. Do the NDP not have the document?

**The Chair (Mr. Shafiq Qadri):** The NDP respectfully declined to sign the receipt that said—this was from Infrastructure Ontario.

**Mr. Victor Fedeli:** That's the about a one-inch-thick one?

**Mr. Bob Delaney:** Peter, do you want to table this until the next time?

**Mr. Peter Tabuns:** That would be fine by me.

**The Chair (Mr. Shafiq Qadri):** Fine, so it's tabled. Any other issues?

*Interjection.*

**The Chair (Mr. Shafiq Qadri):** Open or closed session, meaning open or closed to the public, the press etc.—as you know, on Monday May 6, after question period, report writing. Any discussion? Open or closed? Going once—

*Interjections.*

**The Clerk of the Committee (Ms. Tamara Poman-ski):** So Monday, May 6 is for report writing. Primarily, report writing usually happens in closed session, just by practice, with every committee. However, we can—it's up to the committee to decide if they want to do it in open session, keeping in mind that the draft report is just

going to be based on testimony that we've heard thus far. Again, it's up to the committee's decision on how they want to handle this for Monday.

**The Chair (Mr. Shafiq Qaadri):** Mr. Fedeli.

**Mr. Victor Fedeli:** Thanks, Chair. Were we aware that that was being done on Monday? Is there a time that we should have booked?

**The Clerk of the Committee (Ms. Tamara Poman-ski):** There was a timeline that was distributed last week.

**Mr. Victor Fedeli:** Okay. And when is that time?

**The Clerk of the Committee (Ms. Tamara Poman-ski):** It will be right after question period on Monday. The Monday, May 6 was set in the morning of the timeline that we distributed last week, but we're going to wait until after question period. The notice will be on Thursday.

**Mr. Victor Fedeli:** So what is the time: from 11:30 or 12 till—

**The Clerk of the Committee (Ms. Tamara Poman-ski):** Twelve till whenever we finish.

**Mr. Victor Fedeli:** Okay. I think it should be—

*Interjection.*

**Mr. Victor Fedeli:** We have our leader speaking to the budget that day. Is this something that's MPPs only or staff?

**The Chair (Mr. Shafiq Qaadri):** Well, first of all, I think that's what we're trying to decide. The report writing is whether we decide it to be open or closed to MPPs only.

*Interjection.*

**Mr. Victor Fedeli:** On an MPPs only, yes.

**The Chair (Mr. Shafiq Qaadri):** Staff, no; it's MPPs, period.

**Mr. John Yakabuski:** Can we not change the date?

**The Clerk of the Committee (Ms. Tamara Poman-ski):** Do you want to speak to the timelines, Jeff?

**Mr. Jeff Parker:** Yes, might as well.

**The Chair (Mr. Shafiq Qaadri):** We do strange things to the House calendar if you do that.

**Mr. Jeff Parker:** When we were outlining the schedule for the report writing, it's based on being able to report back by the date set by the House, which is May 21, being able to print it by that date, as well as having it simultaneously translated. So we're sort of out of time.

**Mr. John Yakabuski:** I understand.

**Mr. Victor Fedeli:** I would think that it should be done in camera, as tradition.

**The Chair (Mr. Shafiq Qaadri):** Fine. So a closed session—sorry, Mr. Tabuns.

**Mr. Peter Tabuns:** We're fine with it being open.

**The Chair (Mr. Shafiq Qaadri):** All right. Any ideas? We may have to take a vote on this.

*Interjection.*

**Mr. Peter Tabuns:** It's just testimony.

**Mrs. Donna H. Cansfield:** It's fine.

**The Chair (Mr. Shafiq Qaadri):** What is fine? It doesn't matter?

**Mrs. Donna H. Cansfield:** What you said, open or closed.

**Mr. Bob Delaney:** I think by convention it's closed, Mr. Chair.

**The Chair (Mr. Shafiq Qaadri):** Fine. So are folks willing to follow convention? Is that the—

**Mr. Victor Fedeli:** Because we have our leader speaking right around that time, we're almost going to rely on staff being here, sadly. Which means—

**Mr. Taras Natyshak:** Not sadly.

**Mr. Victor Fedeli:** Not sadly that the staff is here.

**Mr. John Yakabuski:** Happily.

**Mr. Victor Fedeli:** Sadly, many of the members won't be able to attend, which means we'll have to rely more on our staff.

**The Chair (Mr. Shafiq Qaadri):** We appreciate the source of your sadness, Mr. Fedeli. So it would have to be an open session, then.

**Mr. Victor Fedeli:** Yes. We're going to have to, just because our leader is speaking.

**The Chair (Mr. Shafiq Qaadri):** Fine. Open, yes?

**Interjection:** Agreed.

**Mr. Victor Fedeli:** Yes. There's nothing new coming out. It's all—

**The Chair (Mr. Shafiq Qaadri):** All right. Before anyone changes their mind, it's now officially documented as open. The floor is closed on that.

Are there any further items before this committee?

**The Clerk of the Committee (Ms. Tamara Poman-ski):** You'll be receiving the draft report on Friday. I will be in contact with all your offices to find out where you will be—because it's going to be a hard copy—to get it to you so that you can review it for the weekend. So please stay by your phones—or your staff—and we'll get it to you as soon as we can on Friday.

**Mr. Victor Fedeli:** Is it electronic?

**The Clerk of the Committee (Ms. Tamara Poman-ski):** It'll be hard copy because it's confidential.

**The Chair (Mr. Shafiq Qaadri):** Hard copy, meaning printed.

**Mrs. Donna H. Cansfield:** So are you going to deliver them, then?

**The Clerk of the Committee (Ms. Tamara Poman-ski):** Yes. If anything, I can Purolate to your constituency offices if you're not—okay.

**Mr. Victor Fedeli:** And is that a confidential document?

**The Clerk of the Committee (Ms. Tamara Poman-ski):** It will be a confidential document.

**Mr. Victor Fedeli:** To MPPs or staff?

**Mr. Peter Sibenik:** It would be to MPPs.

**Mr. Victor Fedeli:** So it will need to come to the office because many of us don't live here and we'll be home on Friday. It will need to be sealed.

**The Clerk of the Committee (Ms. Tamara Poman-ski):** Right, and I'll just Purolate it to your office in your constituency. We'll figure a way to get it to you on Friday.

**Mr. Peter Tabuns:** They'll figure it out.

**The Chair (Mr. Shafiq Qaadri):** All right, if there's no further business, I thank the committee for a—

**Mr. Victor Fedeli:** No, I have the—

**The Chair (Mr. Shafiq Qaadri):** Yes, please. Go ahead, Mr. Fedeli.

**Mr. Victor Fedeli:** So two things we requested: When I was speaking with the Premier about PC doc 2, I was reading from her Hansard record in the Legislature, where she had said that the 36,000 records were—and then she added a qualifier—“responsive to the original motion of the estimates....” That was used by virtually every caucus member of the Liberal Party as well as cabinet members. I said that I would be asking for all of those Liberal talking points with respect to the release of the 36,000—

**The Chair (Mr. Shafiq Qaadri):** So the Chair takes that. And there’s a second item, you said?

**Mr. Victor Fedeli:** Yes, the letter that was shared by Ms. Cansfield. On the February 7 letter of the Premier to the Auditor General, in the first paragraph the last sentence says: “The committee decided at that time to exclude the cancellation of the Oakville gas plant from

their request.” The Premier’s referring to the Standing Committee on Public Accounts.

I would ask that this committee be issued the Hansard record of that public accounts committee meeting of September 5, where the Liberals repeatedly blocked the entire committee’s request to include Oakville in the Auditor General’s report, up to and including the last possible moment before the committee was collapsed. I would want that Hansard.

**The Chair (Mr. Shafiq Qaadri):** Sure. Mr. Fedeli, Hansard, as you know, is a public document, publicly accessible. If you want it printed, we can certainly undertake to do that.

**Mr. Victor Fedeli:** I would like it provided by the Clerk to all of us with the intention to discuss.

**The Chair (Mr. Shafiq Qaadri):** Fair enough.

There is no further business. I thank all committee members for being part of this remarkable day. The committee is adjourned.

*The committee adjourned at 1650.*



# CONTENTS

Tuesday 30 April 2013

Members' privileges .....	JP-351
Ontario Power Authority .....	JP-351
Mr. Colin Andersen	
Hon. Kathleen Wynne .....	JP-367

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