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**Official Report  
of Debates  
(Hansard)**

**Thursday 21 November 2013**

**Journal  
des débats  
(Hansard)**

**Jeudi 21 novembre 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

Thursday 21 November 2013

Jeudi 21 novembre 2013

*The committee met at 0833 in committee room 2.*

### MEMBERS' PRIVILEGES

HON. BOB CHIARELLI

**The Chair (Mr. Shafiq Qaadri):** Chers collègues, j'appelle à l'ordre cette séance du Comité permanent de la justice.

I welcome our next presenter, who joins us for a rematch: the Honourable Bob Chiarelli, Minister of Energy of the government of Ontario. Mr. Chiarelli, you will be sworn in by our able 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. Bob Chiarelli:** I do.

**The Chair (Mr. Shafiq Qaadri):** Your five-minute opening address, Minister Chiarelli, begins now.

**Hon. Bob Chiarelli:** Thank you. Good morning, and thank you for inviting me back to the committee for a second time. I wanted to take this opportunity to provide the committee with an update on what we have been doing to address siting issues around large energy infrastructure projects.

On May 6, 2013, I asked the Ontario Power Authority and the Independent Electricity System Operator to work together to develop recommendations to improve how large energy infrastructure projects are sited, and to include local voices in the planning and siting process. The OPA and IESO released their report, *Engaging Local Communities in Ontario's Electricity Planning Continuum: Enhancing Regional Electricity Planning and Siting*, on August 1, 2013. The report included 18 recommendations that reflected feedback from over 1,250 Ontarians.

We will be implementing the 18 recommendations of the OPA and the IESO. This reflects our belief that communities need to have a say at the beginning. Actually, I want to table the document that was prepared by both of those agencies for the complete report with the Clerk.

On August 21, we announced the creation of municipal energy plans and aboriginal community energy plans to support local energy planning. The programs will help small and medium-sized municipalities and aboriginal

communities develop energy plans that focus on increasing conservation and help identify the best energy infrastructure options for a community. They will better align infrastructure, energy use and land use planning in a way that increases conservation, supports economic development and identifies opportunities for clean energy.

Engaging municipalities and aboriginal communities is part of our plan to build strong communities powered by clean, reliable and affordable energy. As a former mayor and regional chair, I understand how important it is to have municipal input in local planning and siting decisions. This is why we have taken these steps to make sure we get siting decisions right the first time.

Ontario has come a long way since 2003, when we were faced with aging energy infrastructure, an electricity deficit, reduced generation and a system that was reliant on expensive imports and dirty coal. Our government has made significant progress transforming our electricity system into one that Ontarians can count on. It's reliable.

Since 2003, Ontario has successfully sited 21 gas-fired generation facilities. As minister, I have had an open-door policy, meeting with municipalities, community organizations, stakeholders, aboriginal partners, energy experts and the public. I've been very clear that we need to get siting decisions right the first time. Since day one, the new government has been committed to getting all the facts out about the Mississauga and Oakville gas plants relocations.

It was the Premier who ordered the full disclosure of documents, restructured the committee and asked the Auditor General to examine the cost of relocating the Oakville gas plant. Ontarians deserve to have a full understanding about the cost to relocate the Oakville and Mississauga facilities. I want to thank the Auditor General and her team for their work. Now that the auditor has reported, I look forward to receiving recommendations from this committee to further improve the siting process.

Those are my opening remarks, Chair.

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Chiarelli. To Ms. MacLeod, 20 minutes.

**Ms. Lisa MacLeod:** Thanks very much, Chair. Good morning, Minister. It's good to see you today.

**Hon. Bob Chiarelli:** Good morning.

**Ms. Lisa MacLeod:** Thank you for coming in to the committee. Just a couple of very quick questions, and then I'd like to go into a little bit more detail about the AG's report, if that's okay with you.

The first question I have is one that I'm starting to want to ask all of the deputants as they come in, because I'm starting to listen to a common theme here from ministers of the crown. I'm just wondering, how did you prepare for today's presentation? Who wrote your remarks and who did you speak to before you arrived here?

**Hon. Bob Chiarelli:** Essentially, my staff—my chief of staff and one or two other staff people. I led the discussion—the information and materials that I wanted—and certainly outlined what we should be doing in the opening remarks.

**Ms. Lisa MacLeod:** Is your ministry or the Premier's office involved in providing template speeches, statements or speaking points to other deputants, particularly to other members of cabinet?

**Hon. Bob Chiarelli:** We provide information when we're asked for it. I have no knowledge of that type of organized plan, although it wouldn't surprise me that we would try to organize our responses in some semblance of organization. It wouldn't be to influence people in terms of what they are going to say.

**Ms. Lisa MacLeod:** Would you be willing to provide this committee and table the various drafts of your statement and your Q&As?

**Hon. Bob Chiarelli:** Yes, I'll have my staff provide that for you.

**Ms. Lisa MacLeod:** Sure, thank you. Would you also be able to do that—

**Hon. Bob Chiarelli:** Spelling corrections and grammatical corrections included.

**Ms. Lisa MacLeod:** Sure. Would you be able to do that for Serge Imbrogno as well, the deputy minister?

**Hon. Bob Chiarelli:** Well, I mean, he'll have to speak for himself.

**Ms. Lisa MacLeod:** But he's your deputy minister.

**Hon. Bob Chiarelli:** I mean, he was here and you had the opportunity to ask him. You have the opportunity to ask him to come back. I have not tried to influence the deputy in any way, shape or form in terms of his actions on this very important file. I've kept my distance, in fact, from him so as not to be seen to be influencing, and that has been my policy. If it has anything to do with the deputy, I would suggest that you recall him and ask him. I haven't coached him, and it would be improper for me to coach him in any way, shape or form. I would expect that he would come back here and answer questions quite independently.

0840

**Ms. Lisa MacLeod:** As minister, would it be fair to say that, with deputy ministers, they would follow through on your instructions or not?

**Hon. Bob Chiarelli:** No, I would say not. I would say that I think the whole experience of these hearings in this committee is a case of you and your colleagues actually pointing out how senior officials have been providing information that you feel is compromising to us. I think the evidence is that they're coming here in an independent and objective manner, and I'm sure that, in the course

of today, you will be raising some things that some senior people have stated as undermining our position. I think the evidence shows just the opposite.

**Ms. Lisa MacLeod:** Sure. Well, I'm actually just trying to get Serge Imbrogno's draft points. It wasn't that elaborate, but since you've pointed it out, it's appearing to me that you're suggesting that some of the bureaucrats who are coming here to appear before us have gone rogue, and that they don't follow government instruction. I would just like your point of clarification on that, if you would, because that's effectively what you've just told us.

**Hon. Bob Chiarelli:** I think that we have an excellent public service, and I commend them for their independence, for their independent advice that they provide on almost every file that I've been working on. They don't gild the lily to make what we want or what we're suggesting we want to do look better. They are responsible. They do their job in an objective, serious, professional way. I believe they've done that before this committee.

**Ms. Lisa MacLeod:** In your previous testimony to this committee, you claimed that you were "present at a number of cabinet and treasury board meetings that involved the Oakville or Mississauga gas plants." In reading your previous transcript, it wasn't clear to me that you were—you weren't clear on what was said at the meetings, or what the issue of cost brought up, at all. I'm wondering if you can elaborate at this time, if the benefit of time has helped you with your memory.

**Hon. Bob Chiarelli:** My recollection of what happened is what I believe has been reflected in all of the discussions that we've had, or all of the discussions that the committee has had.

I think most cabinet members would remember the discussions about sunk costs. I remember discussions about sunk costs, and I remember the numbers around the sunk costs. I also remember the testimony that had been here by a number of people who indicated that those are the numbers that were provided by the Ontario Power Authority at that time, in that context.

**Ms. Lisa MacLeod:** In your way of thinking, then—just going back to the previous set of questions where you say that bureaucrats in the Ontario government don't follow your instruction—

**Hon. Bob Chiarelli:** I didn't say that. I said that they act independently.

**Ms. Lisa MacLeod:** No, I asked if they followed your instruction, and you said no, they act independently.

**Hon. Bob Chiarelli:** Acting independently may be agreeing with us. It may be doing what we ask. It may be saying, "You know what? I think this is going down the wrong path." That's what I mean in terms of their objectivity. They're doing their jobs as public servants.

**Ms. Lisa MacLeod:** Apparently when they were being objective in December 2011, JoAnne Butler and Colin Andersen, who work with the OPA—who work for a government agency—and Serge Imbrogno, who is your Ministry of Energy's deputy minister, said that you, in cabinet, and your colleagues would have known as early as December 2011 that there would be additional costs

above those sunk costs of \$40 million, upwards of at least \$700 million at the time.

The problem with this, and the reason I asked you about the instructions or not, is it really does seem like your government is trying to distance itself from the bureaucrats and trying to ignore the costs that were incurred above and beyond the sunk costs. I find that a very disturbing game, and it's one that I brought up with Dwight Duncan a few weeks ago.

I'm going to ask you this, Minister—I have the greatest respect for you; we're both Nepeanites. I just want to know who is telling the truth in this committee. Is it JoAnne Butler, Colin Andersen, Serge Imbrogno, Shelly Jamieson—who said you would have known, in Shelly's estimation, about “buckets of costs” exceeding \$40 million—or is it the members of the cabinet and the Premier who have come before this committee who said it was only \$40 million?

**Hon. Bob Chiarelli:** The information that we had at cabinet was based on OPA information. The Ontario Power Authority provided the sunk cost value, which we were using. There has been a lot of uncertainty around the cost, both of Mississauga and of Oakville. I would say that it goes back to September 25, 2011. This is a quote from Mayor Rob Burton from Oakville: “PC leader Tim Hudak says the Oakville power plant cancellation ‘cost \$1 billion’ and suggests the Mississauga power plant cancellation ‘may cost another \$1 billion.’”

Then: “On October 5, 2011, on the day before the provincial election, in front of the still-under-construction Mississauga power plant, PC leader Tim Hudak promises to stop the power plant if he wins the election”—

**Ms. Lisa MacLeod:** Bob, I appreciate—

**Hon. Bob Chiarelli:** No, no. I just have one more sentence.

**Ms. Lisa MacLeod:** No, no. It's okay, because I think your government House leader has more than covered that off; I could recite that without even looking at it.

I guess the point is, we're not the government, nor is the NDP—

**Hon. Bob Chiarelli:** The government House leader—I don't know what you mean by his covering it off, but I would suggest to my Liberal colleagues to ask me the question—

**The Chair (Mr. Shafiq Qadri):** Colleagues, one at a time—

**Hon. Bob Chiarelli:** —finishing the quote.

**Ms. Lisa MacLeod:** Chair, I would appreciate the opportunity just to continue asking questions.

Minister, I guess it's cute; I mean, you can go back, but the problem with that line—and I think it has been largely dealt with in the media—is that you are the government.

The worst part of this whole process is not just the \$1.1 billion. It's something that even my eight-year-old daughter understands: It's the cover-up. It's the attempt to put obstacles in place of the opposition and the public in getting the information that they want and need. That's why we're here. It's not just to get the true cost, but also to find out why that elaborate scheme was dealt with.

In fact, I had this anecdote—it's true, a couple of weeks ago—with my daughter. She decided to cut her own hair and then she tried to not be truthful about who did it. And I said, “Honey, in mommy's job, lots of people make mistakes, but it's the cover-up or the lie that gets you in trouble.”

Do you know what? For an eight-year-old, she knew who has done that, and she said, “Your government.” The thing is, even an eight-year-old knows what you've done is wrong.

**The Chair (Mr. Shafiq Qadri):** Ms. MacLeod, just for a moment, I'd invite you to not impute motive to your daughter or to the minister.

**Ms. Lisa MacLeod:** I guess the problem then becomes this: We now know that you think your bureaucrats and your deputy ministers are either rogue or independent or not following instructions, or they have not told you the truth or they have not told this committee the truth. Those are the options.

The second thing is that you're sticking to the sunk costs issue, and this is one that I raised with Dwight Duncan a couple of weeks ago and which I think is very significant. In order for you folks to continue to talk about that \$40-million cost rather than a \$1.1-billion cost, you made a distinction between being a taxpayer and a ratepayer.

I'm going to ask you a couple of questions. Minister, are you a taxpayer?

**Hon. Bob Chiarelli:** Yes.

**Ms. Lisa MacLeod:** Are you a ratepayer?

**Hon. Bob Chiarelli:** Yes.

**Ms. Lisa MacLeod:** Are they the same thing?

**Hon. Bob Chiarelli:** Sometimes.

**Ms. Lisa MacLeod:** You're a ratepayer and a taxpayer, are you not?

**Hon. Bob Chiarelli:** There could be people paying hydro rates who are not paying taxes. There are a lot of people who don't pay taxes.

**Ms. Lisa MacLeod:** Are you a ratepayer and a taxpayer?

**Hon. Bob Chiarelli:** I am a ratepayer and a taxpayer.

**Ms. Lisa MacLeod:** Of the sunk cost, who is paying for the \$40 million?

**Hon. Bob Chiarelli:** The \$40 million is paid by the taxpayer.

**Ms. Lisa MacLeod:** And above and beyond that, who is paying for the rest of the \$1.1 billion?

**Hon. Bob Chiarelli:** Over a 20-year period, the ratepayers.

**Ms. Lisa MacLeod:** The ratepayers. So your government went into the Legislature and has come into this committee, and went to the public through the press and said that there was a \$40-million hit to the taxpayer, ignoring the fact that there would be over \$900 million in costs to the ratepayer, which presumably and largely are the same people. You knowingly misled the public for two years. You knowingly—

**The Chair (Mr. Shafiq Qadri):** Ms. MacLeod, you're well aware of the parliamentary protocols.

0850

**Ms. Lisa MacLeod:** You knowingly said in the House that there was one number when you knew, in fact, that would not be the case. I take great exception to that.

I'd like to move on to the AG's report and before, again, I just would like to know what your opinion of her report was and her work.

**Hon. Bob Chiarelli:** First of all, I want to comment on the words that you just spoke since the last question you asked. I don't accept the premise of all those facts that you stated. Okay, that's your perception, and I disagree very strongly with a number of the statements that you made. In fact, you made a very long statement—

**Ms. Lisa MacLeod:** I disagree with lots of the statements you make too, but this is a question period for us.

**Hon. Bob Chiarelli:** —then you changed tack and you changed subject matters and then you asked a different question.

**Ms. Lisa MacLeod:** No, in fact, I did not. I talked about: What is the difference between ratepayers and what is the difference between taxpayers? The whole point of this, from the very first question that I asked—who prepared your statement and whether or not you could provide me with your speaking notes and whether or not you could provide Serge Imbrogno's—and the distance that you are trying to now make between you and bureaucrats and the fact that bureaucrats have come into this committee and have contradicted the statements and the testimonies by ministers of the crown, including yourself and your Premier, and then the semantics that you relied upon in order to differentiate between the \$40-million mark and the \$1.1-billion mark, and whether or not you support the auditor's findings—I think, actually, that it all works very well together.

I have the greatest of respect for you, but I have a job to do. Okay? You have a job to do; I also have a job to do, and that is to ask questions with respect to why, as I said before, it has been hard for us to get to the true cost. So if I may ask, again—I'd like to focus on the AG's report: What is your opinion of her work?

**Hon. Bob Chiarelli:** In view of the fact that you respect me, I would ask you to respect me by giving me as much airtime in answering the questions as you do in placing the questions.

**Ms. Lisa MacLeod:** With respect, sir, you did have a five-minute opportunity to speak and you do have 30 minutes to respond to questions from your Liberal government.

I'm simply asking you questions, and I would like an answer. I've gone through why I've asked you the questions. I think it's reasonable. I think that my focus now is asking you what your opinion is of the Auditor General's work. If you're not prepared to do that, then just say so, so I can move on to the next questions that I have.

How much more time do I have, Chair?

**The Chair (Mr. Shafiq Qadri):** Five minutes.

**Ms. Lisa MacLeod:** Five minutes.

**Mr. Bob Delaney:** Chair, not wishing to interrupt the friendly discussion, but I'd just like to ask clarification

on this. In looking at the mandate, is an opinion of the Auditor General's report within the mandate of the committee? I'd like to have an opinion on that.

**The Chair (Mr. Shafiq Qadri):** Thank you, Mr. Delaney. I will confer.

**Ms. Lisa MacLeod:** Can we stop the clock?

**The Chair (Mr. Shafiq Qadri):** The clock has been stopped.

**Mr. Gilles Bisson:** The auditor's report is—

**Mr. Bob Delaney:** I'm not talking about the auditor's report; I'm asking about the question to request an opinion—

**Ms. Lisa MacLeod:** I'm asking about the auditor's work on the committee.

**Mr. Bob Delaney:** —of the auditor's opinion.

**Ms. Lisa MacLeod:** I'm asking about the auditor's work and the numbers on which she has derived.

**Mr. Gilles Bisson:** Chair, obviously, the auditor came to this committee, was asked questions—

**The Chair (Mr. Shafiq Qadri):** Thank you. The question is relevant.

Please continue, Ms. MacLeod.

**Ms. Lisa MacLeod:** Thank you. So if I could very quickly ask you: What is your opinion of the auditor's work? I ask this because it seems—and rightly so, because of this interruption—that your colleagues on the opposite side are displaying a complete lack of respect in regard for the AG's work—

**Mr. Bob Delaney:** On a point of order: Again, I object. Standing order 23(h) prohibits the ascribing of motive or—

**Ms. Lisa MacLeod:** —and they have been trying to refute or cast doubt on its finding, and this has been the case since the auditor reported.

**Mr. Bob Delaney:** —or making an allegation. This is not necessary.

**The Chair (Mr. Shafiq Qadri):** Thank you, and both your points are excellent and very welcome. Please continue.

**Ms. Lisa MacLeod:** Thank you very much.

What's your opinion? Is it the same as Mr. Delaney's?

**Hon. Bob Chiarelli:** I wasn't paying attention to Mr. Delaney's comment.

**Ms. Lisa MacLeod:** I don't pay attention to him sometimes either.

**Hon. Bob Chiarelli:** In one of your extensive preambles, you mentioned that we were the government and we should be providing answers. To a large extent, when it comes to this committee, the opposition is the government because you control; you have a majority and you can decide what happens. I want to refer to—

**Ms. Lisa MacLeod:** How much more time?

**Hon. Bob Chiarelli:** —a meeting that you held in April. It's important to note that at that particular meeting, Colin Andersen was in attendance, and he brought to the table two estimates of the cost of Oakville. He brought his own, which was different from his estimate of about three weeks earlier. So we had an estimate from the OPA three weeks earlier; then we had—

**Ms. Lisa MacLeod:** That's important. Again, you're contradicting, and you're now questioning the OPA—

**Hon. Bob Chiarelli:** But you're interrupting me. Why don't you let me finish and then ask a question?

**Ms. Lisa MacLeod:** Well, I also have only four minutes left, and you have 30 minutes with your colleagues here. I'm sure they'll let you have free range.

I asked you very clearly—and it's a simple yes or no question—whether or not you agree with the auditor's findings and what your opinion was of her work, and I'm not getting that. So I'm going to move on. I want to go on to my final question because I have about two minutes left.

In your previous testimony, you referenced that you and the former minister never talked about the gas plants issue during the transition process. You also claimed that you were briefed on the issue in February 2013, and you even provided the brief to the committee. We've read the brief, and we are quite surprised by how brief it was and how basic it was; it really didn't provide much detail.

Nevertheless, you went on to claim that when it came to the gas plant issue, you were very cautious to keep your communication with Mr. Andersen of the OPA to a minimum. It's clear that that's still the case. Why were you so apprehensive to learn about the gas plants? Were you afraid to find something that might compromise you? Were you advised to stay away from the issue?

Finally, you claim that you “didn't think it was wise ... as a new minister to come in and have discussions with Minister Bentley, given the issues that were before” the justice committee. Can you elaborate on that? Can you respond to us why you didn't think it was important to be fully briefed on this gas plant scandal when you first became minister?

**Hon. Bob Chiarelli:** First of all, I was willing to accept briefings that were appropriate and timely.

**Ms. Lisa MacLeod:** And this wasn't appropriate?

**Hon. Bob Chiarelli:** Quite frankly, from the experience—from my observations of what this committee was becoming—

**Ms. Lisa MacLeod:** And what's that? What's the committee becoming?

**Hon. Bob Chiarelli:** —I felt that any conversation that I might have with Colin Andersen would be characterized by you and others in the opposition as trying to influence their decisions, their evidence, their assessments, and the—

**Ms. Lisa MacLeod:** But didn't you do that by cancelling the gas plants? Didn't your government, after setting up the OPA and saying that you were going to remove the politics from siting gas plants, then intervene in their work? Isn't that what you're continuing to do today? You're either contradicting them outright, or somebody somewhere is directing them to say certain things. Again, I have a real disappointment with this government in the way this has been handled.

**Hon. Bob Chiarelli:** I'm surprised that you're disappointed with this government. Quite frankly, I just disagree with everything you've said, and that's my answer.

**Ms. Lisa MacLeod:** Well, the feelings are mutual.

**The Chair (Mr. Shafiq Qaadri):** Thank you, Ms. MacLeod. To the NDP side. Je passe la parole à M. Bisson.

**Mr. Gilles Bisson:** Merci beaucoup, monsieur le Président.

Minister, I want to know in regard to the request by the estimates committee back in May 2012—there was a request by the estimates committee to request documents. Those documents were not readily made available. In fact, there was an obstruction as far as releasing those documents. Were you party to any of the discussions at that time in regard to the decisions about the release of documents?

**Hon. Bob Chiarelli:** My engagement with the release of documents is relative to—let me check and see what the date of it is here.

**Mr. Gilles Bisson:** I realize you were the minister after that. My question is, were you aware of any discussions that were going on within the government in regard to the non-release of documents to the estimates committee?

**Hon. Bob Chiarelli:** No.

**Mr. Gilles Bisson:** So you never heard anything about it?

**Hon. Bob Chiarelli:** No.

**Mr. Gilles Bisson:** Did you read the newspaper and see it in the newspaper?

**Hon. Bob Chiarelli:** I often read the clippings etc.

**Mr. Gilles Bisson:** Were you aware, in the clippings, that the request by the estimates committee had been made to release those documents? Were you aware?

**Hon. Bob Chiarelli:** I don't recall exactly when I became aware of it, actually.

**Mr. Gilles Bisson:** Let me see if I've got this right: So back in May 2012, you're reading the clippings, and you're not aware that estimates has requested documents from the Ministry of Energy. Is that what you're saying?

**Hon. Bob Chiarelli:** I probably wasn't. Quite frankly, I don't follow every detail of every ministry. In 2012, I was Minister of Transportation and Minister of Infrastructure, and I was putting a lot of time and effort into it. I will deal with issues as they come to my desk and my attention.

**0900**

**Mr. Gilles Bisson:** Fair enough, but the question I'm asking is, were you aware that there was a request by the estimates committee back in May 2012 to release documents? Yes or no?

**Hon. Bob Chiarelli:** No, I was not.

**Mr. Gilles Bisson:** At what point—

**Hon. Bob Chiarelli:** I was aware that there were requests for documents, but I can't say that I knew where they were coming or where they were going to. There were requests to the Premier's office, to the ministry, to the OPA—

**Mr. Gilles Bisson:** Okay, so you were aware there was a request, then.

**Hon. Bob Chiarelli:** There was a whole series of requests and challenges in terms of information—

**Mr. Gilles Bisson:** So you were aware that there was a request for release of documents.

**Hon. Bob Chiarelli:** I believe so, yes.

**Mr. Gilles Bisson:** Okay. That's more plausible. I was beginning to wonder how that would have worked.

Anyway, obviously you found out, because you've seen it in the media, but also, did you have discussions with any of your caucus colleagues in regard to this particular request? Did you have any casual conversations?

**Hon. Bob Chiarelli:** No.

**Mr. Gilles Bisson:** There were no conversations whatsoever between yourself and any member of the Liberal caucus in regard to the release of documents in May or June of 2012?

**Hon. Bob Chiarelli:** If I had any, they were very casual, very social and in passing, just about the experience that everybody was going through at that time.

**Mr. Gilles Bisson:** Did you have any kind of relationship at the time with your cabinet colleague Mr. Bentley? Would you consider yourself friends in any way?

**Hon. Bob Chiarelli:** Well, I consider him a colleague.

**Mr. Gilles Bisson:** Okay. Did you guys chat every now and then?

**Hon. Bob Chiarelli:** I had very little conversation with Mr. Bentley, actually.

**Mr. Gilles Bisson:** Okay. The Premier of the day, Mr. McGuinty?

**Hon. Bob Chiarelli:** No.

**Mr. Gilles Bisson:** Didn't have chats with him either?

**Hon. Bob Chiarelli:** Not on any of these issues, no.

**Mr. Gilles Bisson:** No, no. My question is, did you not have casual conversations with Mr. Bentley? Yes or no? In May or June.

**Hon. Bob Chiarelli:** I had social interchange with him. Social interchange and small talk.

**Mr. Gilles Bisson:** Okay, and in that idle chat—you know, we all do it in our work, walking down the hall: "How's it going? What are you doing?" Did you ever have any of those casual conversations around the release of documents with Minister Bentley?

**Hon. Bob Chiarelli:** No.

**Mr. Gilles Bisson:** Did you have any such conversations with the Premier?

**Hon. Bob Chiarelli:** No.

**Mr. Gilles Bisson:** Was this particular discussion ever raised in caucus?

**Hon. Bob Chiarelli:** I think there were discussions raised, but I don't recall them going into a lot of detail.

**Mr. Gilles Bisson:** Raised in regard to the request by the committee to release the documents? That would have been discussed at caucus, right?

**Hon. Bob Chiarelli:** The actual decisions around the gas plant issues were almost exclusively done and discussed, I think, by the Premier's office and the agencies involved.

**Mr. Gilles Bisson:** I'll go back to my question: Was there any discussion at caucus in May, June and July of 2012 in regard to the non-release of those documents?

**Hon. Bob Chiarelli:** I have no recollection of a specific conversation topic or agenda item concerning the release of documents. I think there may have been caucus members—

**Mr. Gilles Bisson:** Okay. I just want to clarify this, because you seem to be saying two things. Was there any discussion at Liberal caucus in May, June, July or August around the issue of the non-release of documents?

**Hon. Bob Chiarelli:** I don't take notes in caucus—

**Mr. Gilles Bisson:** Neither do I.

**Hon. Bob Chiarelli:** —and I don't recall specifically. I have no specific recollection of a day, who said what. I do know that concerns are regularly raised by caucus members. I never raised the issue. I never spoke to the issue. I can't tell you, and I'm under oath here, a name of one person who may have discussed it in caucus.

**Mr. Gilles Bisson:** So, I'm going to ask you the question another way: Were there any discussions at caucus in May, June, July or August of 2012 in regard to the non-release of documents?

**Hon. Bob Chiarelli:** I can't recall that with any certainty.

**Mr. Gilles Bisson:** You don't remember?

**Hon. Bob Chiarelli:** I can't recall that with any certainty. I don't remember. I can't recall it. I don't remember.

**Mr. Gilles Bisson:** Are you pleading Richard Nixon here?

**Hon. Bob Chiarelli:** Well—

**Mr. Gilles Bisson:** To the best of your recollection, but it may be?

**Hon. Bob Chiarelli:** No, I find that insulting.

**Mr. Gilles Bisson:** No, no. But, Minister, you and I have been around a long time. You were here when I first got here in 1990, and we know how this place works. There are discussions amongst colleagues casually, and these items often are discussed at caucus. I was asking a specific question: If there had been any discussion at caucus in regard to this—

**Mr. Bob Delaney:** Chair, I—

**The Chair (Mr. Shafiq Qaadri):** Mr. Delaney on a point of order.

**Mr. Bob Delaney:** Chair, I've listened to a discussion go down a tangent over what is discussed in caucus, and I don't think that is in order.

**Mr. Gilles Bisson:** Yes, it is.

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Delaney. Your point, I guess, is partially well taken.

I would just re-inform committee members that the witness is not reducible to a yes or no answer, so that's the first thing. Secondly, we are allowing our colleagues to have as much leeway—I think at some point, if the same question is asked again and again and again, and obviously eliciting approximately the same answer, we would encourage you to move ahead.

Go ahead, Mr. Bisson.

**Mr. Gilles Bisson:** So, Chair, I'm asking the question over and over again because two things were said: Yes, there were casual conversations in caucus, and later, it was stated, "No, I don't recall there being discussions at caucus around this matter."

**Hon. Bob Chiarelli:** I might add, incidentally, that I'm often absent from caucus.

**Mr. Gilles Bisson:** Fair enough.

**Hon. Bob Chiarelli:** I'm often absent from caucus for part of a caucus meeting.

**Mr. Gilles Bisson:** Okay, fair enough.

**Hon. Bob Chiarelli:** And it's not an insignificant amount of time, so—

**Mr. Gilles Bisson:** To the point, Minister, just to be clear, this particular committee is charged to look into the issue of contempt and who made decisions that led to the ruling of the Speaker, so that's why I'm asking these questions. Right?

Again, just to be clear, you don't recall there being discussions, but there might have been discussions around this issue at caucus? That's essentially what you're saying?

**Hon. Bob Chiarelli:** If discussions took place, I don't recall them, or if discussions took place, I may not have been in the room.

**Mr. Gilles Bisson:** Were there any discussions that you had with your cabinet colleagues in regard to this particular issue?

**Hon. Bob Chiarelli:** Not in that time frame.

**Mr. Gilles Bisson:** So never at cabinet was there ever a discussion around the release of documents, the non-release of documents, to the estimates committee.

**Hon. Bob Chiarelli:** What time frame are you talking about?

**Mr. Gilles Bisson:** May, June, July, August 2012.

**Hon. Bob Chiarelli:** I can't remember the time frames. I really cannot remember the time frames. There are 15, 20 items on cabinet agendas on an ongoing basis—

**Mr. Gilles Bisson:** I understand. It's busy; I get it.

**Hon. Bob Chiarelli:** —and if I remembered with specificity, I would tell you. I recognize I'm under oath.

**Mr. Gilles Bisson:** I'm not asking for the specifics at this point; I'm just asking, do you recall any discussions in regard to the non-release of documents in cabinet, May, June, July, August 2012?

**Hon. Bob Chiarelli:** I have no recollection of it in that time frame. Again, there are times I'm not at cabinet.

**Mr. Gilles Bisson:** Okay. Did you participate in debate in the Legislature in regard to the contempt motion?

**Hon. Bob Chiarelli:** No.

**Mr. Gilles Bisson:** So you're not one of the cabinet ministers who got up and spoke to that particular issue?

**Hon. Bob Chiarelli:** No, I never spoke to it.

**Mr. Gilles Bisson:** I don't recall. That's why I was asking.

**Hon. Bob Chiarelli:** No, no, I did not speak to it.

**Mr. Gilles Bisson:** Do you want to carry on?

**Mr. Peter Tabuns:** Yes, if you don't mind. Actually, I'd take a different tack.

Minister, how do you communicate policy directions to the Ontario Power Authority?

**Hon. Bob Chiarelli:** By letter.

**Mr. Peter Tabuns:** Can you tell us how many ministerial directives you've issued to the OPA since you've been sworn in?

**Hon. Bob Chiarelli:** There have been a fairly significant number. There were probably between 10 and 12. In fact, I'm very happy to share with you: I actually asked my staff to prepare a chronology of directions to all the agencies, and they're almost—maybe one or two to all the other agencies, and with respect to OPA, there were quite a significant number of directives. Most of them surrounded the renewable programs: procurement, issuing or starting dates for procurements, that type of—so I'm happy to share those with you.

**Mr. Peter Tabuns:** Yes. In fact, if we could take you up on that, I would appreciate receiving a copy, and I think it would be useful for the committee.

**Hon. Bob Chiarelli:** Yes.

**Mr. Peter Tabuns:** What's the threshold for you to give a written direction to the OPA?

**Hon. Bob Chiarelli:** I don't know what you mean by "the threshold."

**Mr. Peter Tabuns:** Well, how minor is an item when you think, "I'll just phone up Colin Andersen," or, "I'll have my staff call Colin Andersen and have him do something," and at what threshold do you say, "You know, this actually requires a written communication"?

**0910**

**Hon. Bob Chiarelli:** There are specific mandates, legislated mandates, business plans that the agencies have, and to make any change in direction with respect to those, operationally, if it's a significant file, we still act as a government. Somebody could come to us—say, a stakeholder or an environmental group or whatever—and want us to move in a particular direction. If we feel that the direction is correct, we would consider a directive—but you know, in the course of—

**Mr. Peter Tabuns:** Sorry; I apologize. Could you just repeat? If you think that something is significant, a request that has caught your attention, in keeping with where you want to go, how do you communicate that to the OPA?

**Hon. Bob Chiarelli:** There are some things that are really minor, and they don't engage me. There are times when my chief of staff is talking to somebody senior at OPA. We get inquiries from people. We try to get information for them. So there's an ongoing dialogue in that respect.

For example, there are a number of stranded small FIT operators who were given contracts to do a small FIT—mainly solar—and it turned out that there was not transmission available to them. There were claims and requests for rectification etc. So we issued a direction to the OPA to settle with these people in the most agreeable and consensual way possible to create a solution.

**Mr. Peter Tabuns:** What would be the threshold for that? If we're talking \$500, it's something that's communicated verbally. But when you send a written instruction, at what point do you say, "That's big enough that it requires a written direction"?"

**Hon. Bob Chiarelli:** It generally would have to be something that requires to be done. The OPA will ask for directions as well. It's not only us doing it.

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

**Hon. Bob Chiarelli:** They will say, "We want to do this, but we need a direction," and we will consider doing a direction for it. There are other times when we will approach the OPA and say, "We feel this should be done. How do you feel about a direction?" So it's not a hammer that we use; virtually always, it's some kind of a consensual direction to move in.

**Mr. Peter Tabuns:** But what I'm trying to get at is: When you want the OPA to do something significant, as opposed to something minor, which would be, "Please send me a report"—when you want them to go in a particular direction or make a substantial investment, you communicate that in writing. Is that correct?

**Hon. Bob Chiarelli:** Yes.

**Mr. Peter Tabuns:** Okay. Have you ever communicated major changes in policy or major changes in investment—changes that could have rate base or tax base implications—without a written directive? You.

**Hon. Bob Chiarelli:** I'm not aware of it.

**Mr. Peter Tabuns:** Is there any circumstance in which you would make a major change without a written directive?

**Hon. Bob Chiarelli:** That I would make a major change?

**Mr. Peter Tabuns:** You.

**Hon. Bob Chiarelli:** You mean through the OPA?

**Mr. Peter Tabuns:** Yes.

**Hon. Bob Chiarelli:** I can't recall any.

**Mr. Peter Tabuns:** Okay. What are the legal risks—

**Hon. Bob Chiarelli:** Sorry?

**Mr. Peter Tabuns:** Sorry if I'm not clear. What are the legal risks in giving directives verbally as opposed to in writing?

**Hon. Bob Chiarelli:** I've never really contemplated that before. We just feel it's appropriate to respect the general protocol in this regard.

**Mr. Peter Tabuns:** Have you ever had the OPA come back and say, "This directive is problematic. We can't implement it," or, "If we implement it, it will harm ratepayers; it will harm the system"?"

**Hon. Bob Chiarelli:** We have discussions with the OPA. We meet with our agency co-chairs and board members occasionally, sometimes collectively, to discuss issues. We respect the mandates of the agencies. We are always cautious about issuing directives because we want to respect the independence. There are multiple, multiple, multiple times when, for policy reasons, stakeholder reasons, environmentalist reasons or environmental groups, that they want us to—I would use the term "interfere" with the process of the OPA, and we decline,

we decline, we decline, we decline because of the independence. There are some circumstances where it is appropriate.

**Mr. Peter Tabuns:** How do you expect the OPA to understand what the wishes of the government are?

**Hon. Bob Chiarelli:** We actually approve business plans for the agencies, and that's an overall direction. We do that on an annual basis, and we provide it to the agencies.

**Mr. Peter Tabuns:** If you wanted them to do something that was novel, that was not in the business plan, how would you expect that to be communicated—

**Hon. Bob Chiarelli:** Well, a prime case is a direction that I issued to the IESO and the OPA to do a consultation and a study looking into the siting of strategic energy infrastructure. They followed through on that direction. They provided a report, which I've tabled, with respect to siting. That was done by direction. It was out of the normal course and it was a change of policy.

**Mr. Peter Tabuns:** For these substantial matters, as a minister, you expect that you will send written direction so that there will be a clear, transparent record of who has directed what and who has acted on that direction. Is that correct?

**Hon. Bob Chiarelli:** That would be the normal procedure.

**Mr. Peter Tabuns:** Have you engaged in abnormal procedures?

**Hon. Bob Chiarelli:** Not to my knowledge.

**Mr. Peter Tabuns:** No, I don't think you have, but I'm asking. So you have followed this, time after time?

**Hon. Bob Chiarelli:** Yes.

**Mr. Peter Tabuns:** I would assume that if the OPA were to make a decision that would have impacts in the hundreds of millions of dollars, they would expect to get from you a signed direction. They wouldn't do it based on a phone call.

**Hon. Bob Chiarelli:** I wouldn't assume that. The OPA makes very serious decisions. They do it independent of us and they're very significant. They don't come to us and ask for direction to do what would normally be in their line of duty. They have disputes of every kind with every kind of energy producer from time to time. Sometimes they resolve them; sometimes they don't.

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

**Hon. Bob Chiarelli:** Sometimes the OPA simply says no, and it means tens of millions of dollars at least for a lot of people.

There's the whole issue now of wind renewables. We have standing contracts there and they've decided, as a matter of policy, that they're not going to do extensions. They didn't come to us and ask; they just decided that for purposes of managing the system properly, they will not do extensions of existing contracts beyond the condition dates.

**Mr. Peter Tabuns:** But when you give them a direction in a matter that affects hundreds of millions of dollars' worth of investment, you do that by phone or through a second party or through someone making a phone call to a staffer at the OPA?

**Hon. Bob Chiarelli:** If we were initiating a large or significant decision of that type, we would do it by direction—

**The Chair (Mr. Shafiq Qadri):** Thank you, Mr. Tabuns. I'll pass it to the government side. Mr. Delaney.

**Mr. Bob Delaney:** Thank you. Minister, just before we get on to siting and some of our longer-term issues, was there any other point that you wanted to finish up?

**Hon. Bob Chiarelli:** In terms of the cost associated with relocating Oakville and Mississauga, I wanted to underline that there was tremendous uncertainty from day one, from the time that decisions were made politically—for example, by Mr. Hudak—and I wanted to get on record, not particularly to be negative to Mr. Hudak, but to indicate the level of variance and the level of opinion that existed with respect to the cost of relocating Mississauga and Oakville.

0920

As I was mentioning—and I want to read into the record the whole quote from the mayor of Oakville. It says, “On September 25, 2011, PC leader Tim Hudak says the Oakville power plant cancellation ‘cost \$1 billion’ and suggests the Mississauga power plant cancellation ‘may cost another \$1 billion.’”

“On October 5, 2011”—

**Ms. Lisa MacLeod:** Point of order, Chair.

**The Chair (Mr. Shafiq Qadri):** Ms. MacLeod. A point of order.

**Mr. Bob Delaney:** I'm dying to hear this one.

**Ms. Lisa MacLeod:** I'm just wondering, is it the mandate of the committee to explore the role of the leader of Her Majesty's loyal opposition, or is it to explore the gas plant scandal as it pertains to the cancellation of Oakville and Mississauga? I read on the agenda that it's a “review of the matter of 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 Ontario Power Authority to the Standing Committee on Estimates and to consider and report its observations and recommendations concerning the tendering, planning, commissioning, cancellation and relocation of the Mississauga and Oakville gas plants.”

Again, I don't think the Speaker was ruling on the leader of Her Majesty's loyal opposition, but is looking at the production of documents by the Ministry of Energy and the Ontario Power Authority to the Standing Committee on Estimates.

**The Chair (Mr. Shafiq Qadri):** Thank you, Ms. MacLeod. Cost issues are relevant.

Mr. Chiarelli, continue.

**Hon. Bob Chiarelli:** Thank you. The quote goes on to say, “On October 5, 2011, on the day before the provincial election, in front of the still-under-construction Mississauga power plant, PC leader Tim Hudak promises to stop the power plant if he wins the election, after only days before warning that he's sure it ‘may cost another \$1 billion’. Later, in 2013, he insists it was irresponsible for then-Premier McGuinty to have cancelled it ‘without knowing what it would cost’, even though it cost far less than Hudak says he thinks it will cost when he himself

promises in 2011 to cancel it. This is a new height”—of blank, blank, blank because it's unparliamentary for me to mention the words that are in the quote. But I want to table this document with the Clerk that has this quote. It has a lot more in terms of the opinion of the mayor of Oakville. That's number one.

Number two, Mr. Delaney, I want to come back to this committee's session—I think it's in the middle of April—at which the CEO of the Ontario Power Authority was giving testimony. Three weeks before, he had provided an estimate of the costs of relocating Oakville. Three weeks later, he comes before committee, and he provides a different, but higher, cost. He also brings with him an expert opinion from one of the most respected energy consulting stakeholders in Canada with, again, a third estimate of what the cost of Oakville would be. At the same meeting, Mr. Fedeli, the critic for the Conservatives, proffered and presented a fourth cost. Of course, the Auditor General had not yet presented her report.

So we have Mr. Hudak's number on two occasions, which he provided before he committed to cancelling the power plants, and then we have these varied opinions. We also have the OPA, on a number of occasions, providing the government with what they described as sunk costs. We also have—and this is very important—the actual contract with TransCanada, which resolved the relocation of that particular facility to Napanee. That document itself, which went online I believe in September 2012—so the contract itself was in September 2012—referred to sunk costs. They identified, I think, it was \$40 million in sunk costs, and then the document itself created an arbitration process, a negotiation process to negotiate a number of heads of damages to try to determine what the costs would be. So even the parties, TransCanada and the government, through the OPA, realized that the costs were not discernible, even up to September 2012. That's the year after the cancellation.

They then went forward, through a process of negotiation, and they came up with the formula. That formula had not even been fully determined—the calculation by the parties who signed the agreement—by the time the Auditor General had presented her report. So we accepted her report, moving forward.

We also accepted—and I want to put it on record; this is very, very significant. This is what the Auditor General said in her report on the Oakville relocation. This is a direct quote: “Making assumptions about future events and their effects involves considerable uncertainty.” Those are the Auditor General's comments. “Accordingly, readers should be cautioned that while our estimates differ from estimates previously announced by the Ontario Power Authority (OPA), they will also likely differ from the actual costs and savings that will be known only in the future.”

So in my opinion, what she's saying is that her report is probably not the final answer on what the number will be. It could be higher or it could be lower.

**Mr. Bob Delaney:** The Auditor General did, however, concur that the sunk costs were, in fact, \$40 million. Correct?

**Hon. Bob Chiarelli:** Sorry?

**Mr. Bob Delaney:** The Auditor General's report on Oakville did concur with the estimate of \$40 million for Oakville's sunk costs.

**Hon. Bob Chiarelli:** She concurred that the sunk costs were the correct numbers that were provided, yes—for sunk costs.

**Mr. Bob Delaney:** So as far back as when Minister Bentley said that the sunk costs were \$40 million, indeed, the sunk costs were \$40 million.

**Hon. Bob Chiarelli:** That's correct.

**Mr. Bob Delaney:** And my reading of the Auditor General's report—correct me if I'm wrong—was that these other costs will be determined over the 20-year span of the life of the plant.

**Hon. Bob Chiarelli:** Yes. And I think it's important to realize that when they talk about the rate base—and they talk about the \$950 million that was the resulting cost from relocating Mississauga and Oakville, which incidentally satisfied, in a democratic way, the people of Oakville and Mississauga and satisfied the people in the Sarnia area, Sarnia-Lambton, and Napanee. So we had two happy constituencies.

But the actual costs, through the whole process at this committee, through the process before the committee, when you look at Mr. Hudak's comments, were uncertain. But the decision was made. Certainly the Conservative Party was very adamant that they would cancel and relocate, with their leader knowing that it could be as high as \$1 billion. He said the same thing for both plants.

From my perspective, we have admitted that the siting for those two was incorrect. That's why, as I indicated—and I provided a document to indicate the extent that we have gone to to correct the siting issues. We have properly sited 21 gas plants at this point; 19 of them are operational as we move forward.

The issue has been unfortunate. It has been uncertain for the opposition as well as the government in terms of their prognostications as to what the costs would be. We now know them from the Auditor General's report. We've accepted the Auditor General's report, and we're moving forward with new siting rules.

**Mr. Bob Delaney:** Okay. Ben Chin, when he was before the committee, was talking about the process of cancelling both of those gas plants. What he pointed out is that in 2010 they realized that the electricity that would have been produced from both plants was, in fact, no longer needed, thus it wouldn't have made much sense to have constructed plants whose output wasn't needed in an area, when reasonably, six years ago, the government felt it was needed.

0930

**Hon. Bob Chiarelli:** Well, it's similar to the issue that has been raised with respect to the relocation of the Oakville plant: "Why did it go to Napanee? Why didn't you put it in Kitchener-Waterloo?"—because Kitchener-Waterloo had been a proposed site. That is because their energy demand had changed and they didn't need it in Kitchener-Waterloo. They looked at a number of various sites, as the OPA would normally do.

**Mr. Bob Delaney:** This is normal, historically, that the government or, in the past, Ontario Hydro, with the best information they had at the time, would make a power forecast, and the power forecast would vary depending on growth patterns and power consumption. An estimate made at some point in the past wouldn't come to fruition, and Ontario Hydro—or now, the OPA—would adjust its projections and adjust its capital build accordingly. Correct?

**Hon. Bob Chiarelli:** One of the realities of the energy sector is that there is a changing demand dynamic. It comes from the fact that the economy is changing. It's changing in a way that our employment and the new jobs that are being created across the province are not highly energy-efficient. We're talking about the 10,000, plus or minus, that were created by Research in Motion, the high-tech communities in Markham and around the GTA and in the Ottawa region. We just saw the numbers for movie production in Toronto, and I think that for the year it was over \$2 billion and thousands of jobs created in the movie industry. Those are not high-energy-intensive jobs, so the demand situation changes. It changed in Kitchener-Waterloo, probably because of that very factor. The jobs that were being created there were in high-tech. They were in technology. They were not in traditional manufacturing.

I might add that it's quite similar when we look at new nuclear. New nuclear was part of the 2010 long-term energy plan, and it's being deferred in the current long-term energy plan because the demand is not there and we have a surplus of supply. We're not going to push rates up by investing \$15 billion in energy that's not required and which we can deal with without that type of investment. So there is changing demand. What was once thought as needed in terms of electricity supply is not needed, and so it's shifting sands.

**Mr. Bob Delaney:** One of our constituents in western Mississauga is Whirlpool, which manufactures appliances for everybody. If you buy an Amana, a Hotpoint, a Sears, it's made by Whirlpool. A point that this company makes is that their current generation of appliances are not only capable of reading the price off the grid, but they're far, far more energy-efficient than they were only a few years ago. Part of the reason that Whirlpool continues to be as successful as they are in Canada has been that they've learned to adapt to producing machines for homes that operate on a lot less electricity. That gives rise to a lower demand from the residential sector. Let's go into—

**Mr. Rob E. Milligan:** On a point of order, Chair.

**The Chair (Mr. Shafiq Qadri):** Point of order, Mr. Wilson—or Mr. Milligan, sorry.

**Mr. Rob E. Milligan:** That's okay, Chair. Just a point of order: Isn't Whirlpool actually closing down due to high energy costs? That's what I heard.

**Mr. Bob Delaney:** You are quite incorrect.

**The Chair (Mr. Shafiq Qadri):** Thank you, Mr. Milligan. Mr. Delaney, please continue.

**Mr. Bob Delaney:** Let's go back to—the reason that I raised that is that one of the people who came before us

was Adam White, who is the president of the Association of Major Power Consumers in Ontario. He told this committee that the members of his organization support the government's recent efforts to move in the direction of more regional planning with more local involvement, and acknowledged that Ontario's electricity system is a very, very complex beast that operates on multiple levels—not merely a high-voltage grid that serves the province overall, but also a system in which local distribution companies step down the electricity and provide it to consumers.

Arising out of this, we have some recommendations from the Independent Electricity System Operator and the Ontario Power Authority that I think are going to affect the province's new approach to energy planning. That actually is one of the things this committee is here to talk about.

Could you talk to me a little bit about how some of the—

**Mr. Rob E. Milligan:** On a point of order, Chair.

**The Chair (Mr. Shafiq Qaadri):** Mr. Milligan, point of order.

**Mr. Rob E. Milligan:** How is Whirlpool relevant to the committee's mandate?

**The Chair (Mr. Shafiq Qaadri):** Mr. Milligan, whirlpools are usually hot. Heat is energy. I presume that's the connection.

Please continue.

**Mr. Bob Delaney:** And the question that I'm asking, Chair, is how the thinking reflected in the Independent Electricity System Operator and the OPA's report, if the opposition members would just listen to the question, is changing the province's approach to energy planning. Minister?

**Hon. Bob Chiarelli:** As I indicated, the demand is not going the way it used to for a number of reasons. Number one, the system is much more efficient, and people have more tools to reduce their demand permanently and in the long term. For example, the poster child for this is Loblaw's. Loblaw's has a demand response contract with the IESO, where they agree to turn down their electricity requirements at specified times, which are peak times. In the peak times, when you have a heat wave in the summer, for example, you're using the most expensive electricity. So there's a system now in operation in Ontario, which we're going to grow, for demand response, where industry and commercial leaders sign contracts to reduce on demand.

Loblaw's, consequently, has been able to permanently reduce their consumption of electricity by up to 20%. That exists for automobile manufacturing facilities, large manufacturing facilities. Quite frankly, I can give you a scoop on the long-term energy plan: Conservation and demand response are going to be a much, much higher priority for the sector. We've had significant success. We've analyzed what's been able to be accomplished by other jurisdictions. Indeed, one jurisdiction, the US states around New Jersey—there are three or four of them—has a system operator. Using demand response, using busi-

nesses turning down their demand at specified times, they have reduced their permanent requirement for capacity by 10,000 megawatts.

That is very significant. That's the future. We have the information technology and the algorithms now that can enable this to be done with large numbers of consumers. That's the future of electricity.

The other significant factor in reducing demand is, as I mentioned, the changing nature of our economy. There is less manufacturing, that is true. There is more efficient manufacturing, that is true. They're using demand response. But the jobs we're creating are smart jobs. They're in the technology sector, in research and in development. Again, unfortunately, BlackBerry has had some problems, but if you look at the job creation, 2,000 jobs were created in Ottawa through smart technology. They're not highly energy-intensive, so we're taking those things into account in our new long-term energy plan.

**Mr. Bob Delaney:** Chair, how are we doing on time?

**The Chair (Mr. Shafiq Qaadri):** About 90 seconds or so.

**Mr. Bob Delaney:** About 90 seconds or so? Okay. Well, just in that last 90 seconds, Minister, I just heard a few cheap shots about a firm in my riding that I'm very proud of. For the benefit of the committee, Whirlpool Canada's annual sales approached \$1 billion in 2012—and this is obviously a firm that the opposition would like to chase out of the province. They're headquartered in Mississauga. They supply consumer brands for Whirlpool, Maytag, KitchenAid, Jenn-Air, Amana and Inglis, and they have been Canadian for more than two decades.

Minister, thank you very much for your time.

**Mr. Rob E. Milligan:** On a point of order, Mr. Chair.

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

**Mr. Rob E. Milligan:** Again, what does Whirlpool or Maytag have to do with the mandate of this committee? It's not relevant to the gas plants.

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

Mr. Delaney, you have 30 seconds left; I'd invite you to use it efficiently.

**Mr. Bob Delaney:** All right. If we're talking about our demand for residential electricity, where a lot of that demand is driven by energy-intensive appliances, such as your washing machine, your dryer, your stove, your fridge and your dishwasher—they're called the big five. And if a firm in my riding is one of the world's leading manufacturers of energy-efficient devices—those things drive down the demand for electricity in the residential sector. That means that what the minister is talking about in terms of lower demand and its impact on generation is very relevant.

**0940**

**The Chair (Mr. Shafiq Qaadri):** Thank you, Mr. Delaney. To the Conservative side: Ms. MacLeod.

**Ms. Lisa MacLeod:** Thanks very much, Chair. I'll be brief. I just wanted to correct the record. I just wanted to say one thing and then my colleague from Huron—Bruce

will be speaking. Just a point to Mr. Delaney and Mr. Chiarelli: Destroying manufacturing in Ontario is not a viable solution to conservation, just so we are aware that you're on the wrong path.

In any event, Minister, you mentioned a statement that was provided by the mayor of Oakville, but there were stipulations in the agreement between the OPA and TCE that could have dissolved all of the costs on behalf of the OPA. I want to put on record that it is of your government's complete lack of due diligence and your government's complete indecision and inability—your government's decision to make TCE whole—that you ignored the force majeure that would have enabled the OPA to move away, cost-free, from this deal that has now strapped the people of Ontario with \$1.1 billion for your seat-saver program. I wanted to put that on the record.

My colleague Lisa Thompson will now take up the questioning.

**The Chair (Mr. Shafiq Qaadri):** Ms. Thompson.

**Ms. Lisa M. Thompson:** Thank you very much, Chair. Thanks for being here, Minister. I want to go back to the time that you shared with my colleague from Nepean–Carleton. Right out of the gate we asked you what your opinion of the AG report was, and it was a yes-or-no context. What is your opinion? Do you agree with the AG or do you not?

**Hon. Bob Chiarelli:** I agree with the AG. I especially agree with the AG when—I read the quote and I'll read it again; this is right out of the report: "Making assumptions about future events and their effects involves considerable uncertainty. Accordingly, readers should be cautioned that while our estimates differ from estimates previously announced by the OPA, they will also likely differ from the actual costs and savings that will be known only in the future." Thank you.

**Ms. Lisa M. Thompson:** Okay. Interesting. The OPA estimate for this whole fiasco was \$310 million. The AG estimate was between \$675 million and \$1.1 billion. Which one are you more inclined to accept, Minister?

**Hon. Bob Chiarelli:** I'm not going to speculate on that, quite frankly. There are two numbers that are there. We've accepted her report and we have moved forward to have better siting policies. I want to repeat that we have sited 21 gas plants in Ontario. Two of them were improperly sited. We had two unhappy communities who became happy because they were relocated.

I can tell you that MPP Bailey smiles all the time in the Legislature, and he smiles particularly—

**Ms. Lisa M. Thompson:** Okay. Yes, we know he's happy.

**Hon. Bob Chiarelli:** —when we mention that it's been relocated to his community because it created jobs in his community.

**Ms. Lisa M. Thompson:** Yes, he's a happy guy.

**Hon. Bob Chiarelli:** And it was unanimous consent by the Napanee council when we agreed to relocate it. So we have four constituencies that are very happy with the decisions we've made.

**Ms. Lisa M. Thompson:** Just a brief comment, a sidebar—you brought it up. Given that you're really pleased that you've made communities happy, you'd better start listening to 75 unwilling, unhappy communities. You know what I'm talking about.

You went to siting, so let's talk about that a little bit. You said, right from the beginning, that you want to get siting right the first time. Mr. Andersen was here a few weeks ago saying that they identified four preferred sites, over and above Napanee. So who got it right? Mr. Andersen or your Liberal government?

**Hon. Bob Chiarelli:** Do you have the quote from Mr. Andersen that I can see?

**Ms. Lisa M. Thompson:** We can find it, but I'm sure Mr. Delaney and our colleagues in the third party—

*Interjection.*

**Ms. Lisa M. Thompson:** Yes, it's a fact. He specifically said that they preferred four sites over Napanee. To your point, you wanted to get it right—

**Hon. Bob Chiarelli:** Did he include Kitchener–Waterloo in that?

**Ms. Lisa M. Thompson:** Yes, he did, actually.

**Hon. Bob Chiarelli:** Well, the fact of the matter is—and the record will show—that the energy was not required; the demand was not there in Kitchener–Waterloo.

**Ms. Lisa M. Thompson:** Because the manufacturing base had fallen off?

**Hon. Bob Chiarelli:** Sorry?

**Ms. Lisa M. Thompson:** Because the Liberal Party had driven manufacturing away from Kitchener–Waterloo? No answer is an answer, so you agree with that.

**Hon. Bob Chiarelli:** You know, I haven't seen his remarks, and I'm not going to comment on them.

**Ms. Lisa M. Thompson:** Okay. Siting: What is your criteria in proper siting?

**Hon. Bob Chiarelli:** The criteria for proper siting is to have very, very—first of all, the procurement is very important; the nature of the procurement, firstly. Secondly, we're changing how the energy sector operates, in that we want to put a lot of focus on regional planning, and we are incenting municipalities. We're providing funding for municipalities to create their own energy plans. Municipalities have official plans to project growth. They have solid waste plans. They have master transportation plans. They do not have energy plans, and it's very important that we change the planning mechanisms in the province so that there's regional planning and that that regional planning connects directly to the municipalities.

**Ms. Lisa M. Thompson:** Okay. Let's talk about that for a second. Let's talk about regional planning. Is this regional planning for energy a long-term vision?

**Hon. Bob Chiarelli:** Well, it's going to be transformational and transitional. It's to get it as quickly as possible.

**Ms. Lisa M. Thompson:** Okay. And do you see it linking in with the directions of your long-term energy plan?

**Hon. Bob Chiarelli:** Yes.

**Ms. Lisa M. Thompson:** Okay. Then I have an absolute disconnect. You're quoted as saying this past week

that your long-term energy plan is to satisfy needs in the short term. With all due respect, Minister, what the heck was that about?

**Hon. Bob Chiarelli:** In all due respect, you've got it absolutely, totally, 100% wrong.

**Ms. Lisa M. Thompson:** That's the quote. That was quoted in the Toronto Star.

*Interjection.*

**Ms. Lisa M. Thompson:** So it's—

**Hon. Bob Chiarelli:** Are you interested in knowing what I said?

**Ms. Lisa M. Thompson:** I was just quoting the Toronto Star.

**Hon. Bob Chiarelli:** Are you interested in knowing what I said?

**Ms. Lisa M. Thompson:** I'm interested in how you're going to spin it.

**Hon. Bob Chiarelli:** We also said, because the demand is coming down so quickly, we're changing our decision-making process with respect to new energy projects. The Independent Electricity System Operator will be preparing an annual report indicating the supply and demand dynamics, and we will be able to adjust accordingly.

The worst thing we can do is overbuild the sector. By overbuilding the sector, that means we're putting costs on the ratepayers unnecessarily, so in—

**Ms. Lisa M. Thompson:** Isn't that exactly what you're doing—

**Hon. Bob Chiarelli:** Can I finish talking?

**Ms. Lisa M. Thompson:** —with your green energy plan?

**Hon. Bob Chiarelli:** Can I finish talking? You're interrupting me.

**Ms. Lisa M. Thompson:** Isn't that exactly what you're doing right now?

**Hon. Bob Chiarelli:** You're interrupting me.

**Ms. Lisa M. Thompson:** Shame on you.

**Hon. Bob Chiarelli:** You're interrupting me. Shame on you. You're interrupting me.

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

**Hon. Bob Chiarelli:** You're interrupting me.

**Ms. Lisa M. Thompson:** You're talking out of both sides.

**Hon. Bob Chiarelli:** No, no.

**Ms. Lisa M. Thompson:** Carry on.

**Hon. Bob Chiarelli:** I'm sorry that you can't understand.

**Ms. Lisa M. Thompson:** Oh, yes, I well understand.

**Hon. Bob Chiarelli:** You can't understand the complex energy system and—

**Ms. Lisa M. Thompson:** I well understand, Minister.

**Hon. Bob Chiarelli:** You can understand that we should not be building \$15 billion of new nuclear when we don't need it. You want to put \$15 billion—

**Ms. Lisa M. Thompson:** We're not talking about nuclear right now; we're talking about siting.

**Hon. Bob Chiarelli:** Your party wants to put \$15 billion on the rate base—

**Ms. Lisa M. Thompson:** You went to nuclear. I well understand nuclear.

**Hon. Bob Chiarelli:** You want to put \$15 billion on the rate base—

**Ms. Lisa M. Thompson:** We're not talking about that today; we're talking about siting.

**Hon. Bob Chiarelli:** —and push costs up for consumers when it's not needed.

**Ms. Lisa M. Thompson:** Point of order.

**The Chair (Mr. Shafiq Qaadri):** Ms. Thompson, you have the floor. You don't need a point of order.

**Ms. Lisa M. Thompson:** Yes, okay. Chair, can you direct the witness back to the topic at hand, and that's siting?

**The Chair (Mr. Shafiq Qaadri):** Witness, would you please return to the topic at hand?

Please, go ahead, Ms. Thompson.

*Interjections.*

**The Chair (Mr. Shafiq Qaadri):** Please, colleagues.

**Ms. Lisa M. Thompson:** Okay. Let's talk about your siting criteria; let's go back to that. It's interesting, because clearly what's good on one hand is not clearly good on the other. So let's keep talking about siting. What are your other siting criteria?

**Hon. Bob Chiarelli:** The other siting criteria?

**Ms. Lisa M. Thompson:** Yes.

**Hon. Bob Chiarelli:** The siting criteria will be based on where the need is, where transmission is. You don't want to build new generation where there's no transmission. It's a complex—

**Ms. Lisa M. Thompson:** Then why are you putting turbines where there's no generation?

**Mr. Bob Delaney:** On a point of order, Chair: We have previously ruled on this particular topic.

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

**Hon. Bob Chiarelli:** What I want to know—

**The Chair (Mr. Shafiq Qaadri):** One minute left. I would invite you to allow the witness to just complete his phrase.

**Hon. Bob Chiarelli:** What I want to know is for existing wind contracts, will you—will a Tim Hudak government cancel those contracts?

**Ms. Lisa M. Thompson:** We're talking about siting right now, and you were saying that you want—

**Hon. Bob Chiarelli:** No. I'm saying, will Tim Hudak—

**Ms. Lisa M. Thompson:** —part of your criteria for energy generation—

**Hon. Bob Chiarelli:** Will a Tim Hudak government cancel—

**Ms. Lisa M. Thompson:** I'm asking the questions, with all due respect. We're talking about siting.

**Mr. Bob Delaney:** Chair, on a point of order: We have had this discussion in the past, and we have decided that the siting and location of wind turbines is outside the committee's mandate.

**0950**

**Ms. Lisa M. Thompson:** We're talking about—

**The Chair (Mr. Shafiq Qaadri):** Ms. Thompson, that is a valid point of order. As you just invited the witness

to return to topic, I will do the same to you. Wind energy is not part of the deliberations of this committee. You have 42 seconds.

**Ms. Lisa M. Thompson:** Okay. With that said, though, you're talking specifically about siting close to generation and distribution. So there's a lot of distribution that is not near your preferred locations for gas plants. How much is it going to cost to connect Napanee to where the demand for energy really is, in the GTA? Do you know that answer?

**Hon. Bob Chiarelli:** Well, I'm just going to defer to the Auditor General's report. She explored that. She spoke about it. We're accepting the Auditor General's report.

**Ms. Lisa M. Thompson:** So you're saying that the \$1.1-billion tag is probably the correct number on the books?

**Hon. Bob Chiarelli:** No, I'm not saying that. She gave a range, and I'm accepting her report, which includes a range.

**The Chair (Mr. Shafiq Qadri):** Thank you, Ms. Thompson. Just before I offer the floor to the NDP, I would just observe that I think we can leave most of the antics to city hall, where they belong. I would appreciate if we would all observe parliamentary decorum.

To the NDP side: Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you, Chair. Minister, I listened to your back-and-forth with Mr. Delaney with some interest. You noted that demand response is the future. You noted that overbuilding puts huge burdens on the sector. You noted that the power from the Oakville plant, if it had been built on your timetable, would have been surplus to the province's needs. Do you remember that the NDP raised precisely these points before your government signed the contract? Do you recognize that you, warned by us and warned by the community that the plant was unnecessary and in the wrong place, went ahead and did it anyway?

**Hon. Bob Chiarelli:** I can't recall that. Thank you for reminding us.

**Mr. Peter Tabuns:** Well, then I suggest you check Hansard. I suggest you check Hansard.

Why do you think the Premier's office and your predecessor did not put in writing to the OPA instructions for the cancellation of the Oakville plant? You've been very clear about the necessity of writing things down, giving clear written instruction, leaving a trail.

**Hon. Bob Chiarelli:** I can't answer for people who have been here as witnesses, some of them twice. I simply defer to the answers they provided when they were here themselves. I'm not going to speculate on that.

**Mr. Peter Tabuns:** Would you have done it?

**Hon. Bob Chiarelli:** I'm not going to speculate on that.

**Mr. Peter Tabuns:** Would you expect the OPA to follow informal requests of this magnitude from your office?

**Hon. Bob Chiarelli:** I would expect the OPA to work professionally, as they generally do. When a direction is required, they ask for direction.

**Mr. Peter Tabuns:** I gather they did ask for direction and were never able to get it.

**Hon. Bob Chiarelli:** I'm not aware of that.

**Mr. Peter Tabuns:** Fair enough. Mr. Bisson.

**Mr. Gilles Bisson:** Just to be clear, there was a request made by the estimates committee for documents back in May 2012. In our previous round of questioning, we were talking about what your knowledge was in regard to that particular request. I just want to get back to that. We've had a number of cabinet ministers who have come before this committee who have said that, in fact, there were discussions at cabinet in regard to the requests by the committee. Are you aware of any of those?

**Hon. Bob Chiarelli:** I can't recall. I can't recall the time frames. I know that as the procedures in committee progressed, the number of discussions or whatever became somewhat more numerous, but not terribly numerous. It's the time frames that I have trouble—you're focusing on May 2012, and I can't recall that.

**Mr. Gilles Bisson:** Fair enough. If you asked me exactly what happened at a caucus meeting a year ago, I would probably be a bit fuzzy. But I would at least remember that there was a discussion. I think what I just heard you say was that yes, there was some discussion at cabinet in regard to the request by the committee; you're not aware of the time frame. That's what you're saying, just to be clear?

**Hon. Bob Chiarelli:** Yes.

**Mr. Gilles Bisson:** Okay, the time frame you're not clear on. So, okay, we've established there were some discussions at cabinet in regard to the request by the committee. Do you remember any of the details around those discussions or any of the facts?

**Hon. Bob Chiarelli:** No. I mentioned that I can recall, in dealing with the issue, the sunk costs that were provided by the OPA. That's the extent of my recollection. I can't remember—

**Mr. Gilles Bisson:** And that's important, but that's not the reason for this question. I just want to stay on the requests by the estimates committee. So you don't remember any discussion—you know that there were some discussions at cabinet in regard to the request by the committee. For the record, what you have said is you don't remember any of the details.

**Hon. Bob Chiarelli:** That's right.

**Mr. Gilles Bisson:** You said there were some discussions—is what you just said—and the frequency of those discussions increased somewhat as things progressed. Do you have any sense of the timeline of that?

**Hon. Bob Chiarelli:** Probably towards the end of 2012, early 2013. That would be my guess. My best recollection, obviously—

**Mr. Gilles Bisson:** On the request from the committee, now. I'm not talking about sunk costs. I'm not talking about relocations of gas—

**Hon. Bob Chiarelli:** Well, I don't know—

**Mr. Gilles Bisson:** No, no. But I just want you to be clear. We're not confusing two things. With all due respect, Minister—

**Hon. Bob Chiarelli:** No, no. What I want to say is, there were a number of requests, and the requests kept changing or going into new areas or whatever, including into my time as Minister of Energy. I can—

**Mr. Gilles Bisson:** All of this would have happened before you were Minister of Energy.

**Hon. Bob Chiarelli:** No, no. I appreciate that. That's why I don't retain all the details of everybody else's ministry when they come to cabinet—

**Mr. Gilles Bisson:** Listen—and that's fair. If you said to me, "What was talked about at caucus a year and a half ago?"—I know there was a discussion; I may be fuzzy on the details. I get that. I understand that we're human.

My point was, there was a request by the estimates committee for documents, and that request was refused. Then there were subsequent things that happened later that led up to a prima facie case of contempt being found. So what we've established and the fact there were some discussions at cabinet—you don't remember exactly what they were about. You don't remember any of the details of those discussions? Do you remember any of the discussions? Did you have any casual conversations with any of your cabinet colleagues outside of cabinet about this issue?

**Hon. Bob Chiarelli:** You're talking the time frame of May 2012? No.

**Mr. Gilles Bisson:** So May 2012, up to the ruling of the prima facie case of contempt: Do you remember any discussion? Just to be clear, in May 2012, there was a request by the estimates committee. Then there was a finding of a prima facie case by the Speaker. Then there was a debate in the House, and then there was a vote in the House. I'm talking about at the end of that vote; did you have any casual discussions with your colleagues around the request by the committee for documents?

**Hon. Bob Chiarelli:** I really can't recall. I would imagine that just general—you know, you're walking out of caucus and you're talking to somebody. We have casual discussions on all kinds of things. It's hard to remember—

**Mr. Gilles Bisson:** Did anything strike you as being particularly odd about what was going on in that period in regard to—so the request by the committee was made for documents, and the documents were not released readily; they weren't given right away. Only after the government was found to be in contempt—or the government, in order to try to prevent itself from being found in contempt, released those documents. So it took, what, three months before the documents actually started to be released.

My question is, do you remember any details in regard to the decision-making around not releasing those documents? Do you remember anything?

**Hon. Bob Chiarelli:** I don't recall any cabinet discussion about not releasing those documents. My recollection is—

**Mr. Gilles Bisson:** Hang on, hang on.

**Hon. Bob Chiarelli:** It may have happened, but I don't recall it. What I do recall is that somewhere around the contempt motion—I don't know what the date of that is, even—there were discussions, but I don't remember the details.

**Mr. Gilles Bisson:** Okay, so you were not one of the principal people in strategizing around the committee's request?

**Hon. Bob Chiarelli:** Absolutely not. I was totally out of the loop.

**Mr. Gilles Bisson:** So we know that the Premier was, right?

**Hon. Bob Chiarelli:** Well, I don't know that. I don't know what the Premier—the Premier was here twice. You had the opportunity to ask him. I can't answer for him. He was here to answer for himself.

**Mr. Gilles Bisson:** Okay. No, but you had said earlier in your testimony that it was the Premier who took the lead on this. That's what you said at the beginning today. So are you saying different now?

**Hon. Bob Chiarelli:** The Premier's office, which presumably—

**Mr. Gilles Bisson:** Okay, all right. Because I find it hard to believe that nobody was strategizing on how not to release those documents. That's just totally implausible. Would you not agree?

**Hon. Bob Chiarelli:** If they were, I wasn't in the loop.

**Mr. Gilles Bisson:** Okay. But you know that there were some discussions; you just don't remember the details.

I'm going back to the previous question. Were there any of those types of discussions at caucus, reporting back to caucus about that issue?

**Hon. Bob Chiarelli:** My answer is the same as I gave you previously.

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**Mr. Gilles Bisson:** So you don't remember. Okay.

**Hon. Bob Chiarelli:** I may not have been there. I missed maybe 35% or 40% of caucuses, either by not being there half the time or—

**Mr. Gilles Bisson:** Okay. Let me get to something else now.

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

**Mr. Gilles Bisson:** One minute, you said? Well, I'll try this in one minute.

In regard to the deletion of documents, there were deleted emails on the part of others. I know you've already, I think, put on the record that in your time, you've actually not done that. Right?

**Hon. Bob Chiarelli:** That's right.

**Mr. Gilles Bisson:** Were there any discussions at cabinet in regard to the deletion of emails from May to September 2012? Were there any discussions in cabinet about the deletion of emails?

**Hon. Bob Chiarelli:** Through what period of time?

**Mr. Gilles Bisson:** May 2012 to about October 2012.

**Hon. Bob Chiarelli:** I don't recall it before then. I recall some subsequent to that.

**Mr. Gilles Bisson:** Do you remember any discussion within government about the need to delete emails in that time period?

**Hon. Bob Chiarelli:** No.

**Mr. Gilles Bisson:** Okay.

**Mr. Peter Tabuns:** You recollect some discussion of the deletion of emails subsequently, you've just said. Can you enlarge on that, please?

**Hon. Bob Chiarelli:** There was some very considerable concern in cabinet, not particularly about emails but documents generally, which may have included emails—

**The Chair (Mr. Shafiq Qadri):** Thank you, colleagues. To the government side. Mr. Del Duca.

**Mr. Steven Del Duca:** Thanks very much, Mr. Chair. Good morning, Minister.

I wanted to spend a couple of minutes talking about steps that the government has taken with respect to improving the siting process for energy infrastructure. The government recently announced that small and medium-sized municipalities will be eligible for funding for municipal energy plans which align infrastructure, energy and land use planning. These plans will focus on increasing conservation and helping to identify the best energy infrastructure options for a community.

I know that you are obviously a former mayor and a former regional chair, and at various points in your career you were probably on the other side of the table or the other side of the equation. I'm just wondering, how has your previous experience fed into the creation of these new processes or your thinking behind the creation of these new processes? Also, how will these moves provide a tangible benefit for communities that receive the funding?

**Hon. Bob Chiarelli:** First of all, I want to say that over a period of nine years I was the elected regional chair and mayor of the city of Ottawa, the second-largest city in the province. Obviously, as most reasonably large cities would do, they have very fulsome and comprehensive planning processes.

Looking at it retroactively, I would say that one big black hole in all the good planning that we did with the official plans and master transportation plans and solid waste plans etc. is that we really never had an energy plan. When we look at an official plan, we project employment growth and we project population growth and—are you smiling or laughing at something? You're not interested in this information?

**The Chair (Mr. Shafiq Qadri):** Mr. Chiarelli, smiles are also parliamentary. Please continue.

**Mr. Steven Del Duca:** I think, Chair, though, if I could say, on a point of order, with the greatest respect: The folks on this side of the table tried to listen respectfully to the questions coming from opposition members and I would ask that they would do the same.

**The Chair (Mr. Shafiq Qadri):** I will accept that. I would echo the comments of my colleagues and the

minister and the witness. He is entitled to due respect and at least a modicum of silence for his remarks.

**Ms. Lisa M. Thompson:** I didn't say a word.

**The Chair (Mr. Shafiq Qadri):** Actually, I don't need you to apologize right now. I'd just invite you to observe parliamentary decorum.

Mr. Chiarelli.

**Hon. Bob Chiarelli:** As I was saying, the planning for municipalities has been excellent except that there have not normally been energy plans. Even though we're planning for more economic growth and multiple new subdivisions and we're extending urban boundaries, we don't have a plan to deal with the energy that's required for that.

So one of the priorities for the IESO and the OPA new planning regimen is to significantly enhance regional provincial planning, such as southwestern Ontario or eastern Ontario or the GTA, and to make sure that there are also energy plans at the municipal level. That's certainly very relevant for siting and it's very relevant for the development community to know where energy is going to be available. It's important that we connect those two dots, the planning in a municipality and the energy planning. We are focusing a lot on that.

We are also, for small and medium-sized municipalities, providing funding for them to be able to create their own energy plans. They will have to address the issue as to what they need in terms of electricity in the future to satisfy their new subdivisions, new industry and economic development and where, in fact, that will come from. Will they try to have it in renewables? Do they want to do it all on transmission? If they don't want to have any new generation sited in their community, then where will the transmission go? Sometimes big transmission going through a community is more disruptive than a single gas plant, for example, so it's very important that individual municipalities think this through and actually have a plan.

**Mr. Steven Del Duca:** Thanks very much for that answer. You mentioned the proposals, the plan or the recommendations put forward by the OPA and the IESO. Regarding that element in particular, with respect specifically to the consultations that were undertaken over the last number of months as part of that process and as part of the long-term energy plan process, specifically in the case of the long-term energy plan: If I understand it correctly, the government consulted somewhere in the neighbourhood of a dozen communities and received over 2,000 written responses. I'm just wondering if you can tell us if you were involved in any of those consultations that were undertaken as part of that process and, if you were, what you might have heard or what your staff might have heard.

**Hon. Bob Chiarelli:** Yes. What we heard was that they wanted more conservation; that's number one. A significant number of them referred to the siting issues, and they wanted to have a siting regimen moving forward. The siting regimen, actually—you know, I have several quotes here from people who came before the

committee here with respect to siting, including the Auditor General, and I'll get to her in a minute.

David Butters, who is the president of the Association of Power Producers of Ontario: "I thought that the work that the Ontario Power Authority and the IESO did over the course of the summer on the consultation on siting recommendations was worthwhile and valuable... the recommendations ... were very sensible, thoughtful."

Again, Mr. Butters: "I think we've done a good job"—on siting—"in 98% of the cases."

So, we have improvements to make, and we're going to ensure that we close the loop on those areas where we need to improve. But as I mentioned earlier in my remarks, a lot of people are not aware of the fact that we've approved—and actually have in operation now—19 gas plants across the province. This government—they're not previous governments', and there are two that have been sited now that are not built. Those are the two that are being relocated.

We have to do better in terms of making sure that we don't repeat the Oakville and Mississauga experiences—and they were different experiences, incidentally—when we move forward.

**Mr. Steven Del Duca:** Thank you for that. Those of us who have been on this committee from the very beginning would know that part of our work is to try to develop recommendations on this whole topic area of improving the way that we site energy infrastructure. We've had somewhere in the neighbourhood of 70 witnesses come before committee since we began this process, many of whom did provide, I think, fairly valuable feedback to the committee members—and advice, as well as feedback—regarding how we can improve the siting process.

The main feedback that we heard from members of both the communities of Mississauga and Oakville is that there should have been a better consultation, or a more robust consultation process with local residents from the very beginning of the process. Again, as a former municipal politician, as a leader of your municipality, both at the regional and local level, what role do you think engaging with the local communities should play in order to better support the energy infrastructure siting process?

**Hon. Bob Chiarelli:** It should be a priority consideration. It will be a priority consideration. Whether there's large strategic infrastructure such as a gas plant or whether it's going to be renewable energy, there will be an absolute requirement to have very significant engagement with the local community or communities that might be involved in the siting, particularly with respect to renewables. It will be virtually impossible for a wind turbine, for example, or a wind project, to go into a community without some significant level of engagement.

The actual procurement will require a precondition for the proponents that they will have engaged the municipality, and they have to bring to the table the level of engagement that they've been able to achieve with the municipality. It will be almost impossible for somebody to win one of those bidding processes without an engagement with the municipality. It does not provide an absolute veto, because an absolute veto could be an impediment to regional planning, so that would have to be dealt with, but it would be very rare indeed.

**The Chair (Mr. Shafiq Qadri):** Thank you, Mr. Del Duca, and thank you, Minister Chiarelli, for your presence and endurance. You are respectfully dismissed. The floor goes to Mr. Bisson, who will finish committee business, after which we have a subcommittee meeting.

**Mr. Gilles Bisson:** I just want to draw your attention, Chair and the committee, to the November 8 letter from William Bromm, legal counsel for the cabinet office. If you recall, our caucus had made a request; I'm not going to read the whole thing, but it was a request made in relation to the request—we wanted to have any cabinet documents and P and P documents related to the request by the standing committee for the documents that had been refused.

If you read down to the bottom, in the last paragraph, the response we get—they say etc., etc. "related to the cancellation and relocation" of the power plants. I want some clarification here because what this letter is essentially saying is that they've given us everything about the cancellation and relocation of the power plants—fair enough—but that's not what I asked for. I asked: Were there any cabinet minutes or cabinet documents or P and P documents related to the discussion around the request by the committee for documents? It seems to me that my request has not been fulfilled. Can someone please respond?

**The Chair (Mr. Shafiq Qadri):** Thank you, Mr. Bisson. I would suggest that perhaps you might just want to confer with research and preferably clarify exactly what you assume was given and what you're requesting so that we can mesh the two.

**Mr. Gilles Bisson:** I will, but I just wanted, for the record today, to say that I feel that our request has not been fulfilled.

**The Chair (Mr. Shafiq Qadri):** I think it's a level of subtle detail that is beyond the committee's capability at this time.

**Mr. Gilles Bisson:** Fair enough. Well, it's not subtle detail—

**The Chair (Mr. Shafiq Qadri):** Any other further business before this committee? Seeing none, we're now in subcommittee. Thank you.

*The committee adjourned at 1013.*

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