



JP-51

JP-51

ISSN 1710-9442

Legislative Assembly
of Ontario
Second Session, 40th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 40^e législature

Official Report of Debates (Hansard)

Tuesday 25 February 2014

Journal des débats (Hansard)

Mardi 25 février 2014

**Standing Committee on
Justice Policy**

**Comité permanent
de la justice**

Members' privileges

Privilèges des députés

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.



LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
JUSTICE POLICY**

Tuesday 25 February 2014

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**COMITÉ PERMANENT
DE LA JUSTICE**

Mardi 25 février 2014

The committee met at 0831 in committee room 2.

MEMBERS' PRIVILEGES

The Vice-Chair (Mr. Phil McNeely): The Standing Committee on Justice Policy is now in session. Good morning to everyone. Welcome to the standing committee.

One of the first things to check out: The witness seeks approval to use PowerPoint. Everybody in favour? Thank you.

DR. MARK WINFIELD

The Vice-Chair (Mr. Phil McNeely): The witness this morning is Mark Winfield, associate professor, faculty of environmental studies, York University. The government will start off the questioning. The questioning will be 20 minutes a round.

Mr. Winfield will have five minutes for an opening statement, and I believe we can start with that. The witness will be affirmed by the Clerk.

The Clerk of the Committee (Ms. Tamara Pomaski): Do you solemnly affirm 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?

Dr. Mark Winfield: I do.

The Vice-Chair (Mr. Phil McNeely): You may start your five-minute opening statement.

Dr. Mark Winfield: Great. Thank you. Thank you for inviting me here today.

As the Chair said, my name is Mark Winfield. I'm an associate professor of environmental studies at York University, and I also co-chair something called the Sustainable Energy Initiative at the university, which is our effort to consolidate our teaching, research and partnership activities around sustainable energy issues.

I'm the author of various reports, book chapters, academic articles, op-eds and blogs on Ontario electricity, energy, climate change and environmental policy. I understand that a couple of the blogs and op-eds were provided to the committee that were specifically relevant to the issues before you, particularly my commentary on the implications of the gas plant scandal for system planning, and also my comments on the long-term electricity plan review.

There are a couple of articles that I may send along the PDFs for to the Clerk, which might be of interest to members and to legislative research. One dealt with the implications of sustainability assessment for electricity system planning, and the other dealt with some of the controversies around the renewable energy approval process in Ontario, and some thoughts about that.

Finally, I sent along a draft of a book chapter which talked about how the concepts around electricity system planning have evolved in Ontario over the past century. I'm also the author of a book entitled *Blue-Green Province: The Environment and the Political Economy of Ontario*, that deals with electricity issues in some depth, up to the 2011 election.

I have to emphasize that I have no material knowledge of the decision-making behind the gas plant cancellations beyond what has been reported in the media and in the Auditor General's report. I understand I'm here as a contextual witness and to provide input in the committee's deliberations, particularly in the formulation of recommendations around future approaches to system planning and facility siting.

In my view, the gas plant situation reflects some much deeper problems than arguably poor facility siting on the part of the OPA. I think there's a host of growing challenges to traditional approaches to electricity system planning. The cancellations of the gas plants in a sense are kind of a manifestation of the need to manage the consequences of these problems in the planning process at the political level.

We have to recall we set up the Ontario Power Authority now a decade ago to develop plans for the system. It ultimately would develop two such plans, of which the Oakville and Mississauga plants were part. But in both cases, those plans were overtaken by events before they could be reviewed by the Ontario Energy Board: major declines to the province's electricity needs; the move towards renewable energy through the Green Energy and Green Economy Act; a growing recognition that the OPA had initially massively underestimated the cost and the potential cost overruns, in the sense of delays associated with building and refurbishing nuclear power plants; and we've also had this question of local objections to specific facility sitings, of which the Oakville and Mississauga cases are sort of textbook, but there are lots of others around renewable facilities as well.

All of this in my mind sort of emphasizes the extent of the degree of uncertainty the province is now facing

about its future energy needs. The fact that the province's economy is restructuring away from the traditional manufacturing and resource-processing base and towards service and knowledge-based sectors means that we have a great deal more uncertainty about the future direction of demand. It used to be we consumed; demand would rise. Now we're in a situation where demand is falling and is projected at best to be a flat line. And there are also major technological innovations occurring very, very quickly around energy conservation: grid management, which is broadly captured in the term "smart grids," energy storage and renewable energy technologies, which again are sort of changing fundamental assumptions around which planning has been constructed.

The government's initial response, as I saw it, was embodied in Bill 75, which died on the order paper, which would have effectively gotten rid of the OPA's planning mandate and really sort of managed the system through ministerial directives. I must admit some concern about this approach—

The Vice-Chair (Mr. Phil McNeely): You have 15 seconds left.

Dr. Mark Winfield: Okay, I'll wrap on that. We need a much more flexible and adaptive planning framework and one that works on shorter time frames, but we do need a planning framework of some sort.

I'll leave it at that, and we'll unpackage the rest in question and answer. Thank you.

Mr. Bob Delaney: Well, thank you for that very interesting introduction, Mr. Winfield—

The Vice-Chair (Mr. Phil McNeely): I'd just like to say, Bob Delaney, that you have 20 minutes.

Mr. Bob Delaney: Okay. Thank you.

Interjection.

Mr. Bob Delaney: Or I could just jump right in.

Ms. Lisa MacLeod: Or we get to have a point of order on this.

Mr. Bob Delaney: Well, start any time you want.

Mr. John Yakabuski: I think it's important to let the Chair identify who is—

Mr. Bob Delaney: All right.

Interjection.

Mr. Bob Delaney: I see it's going to be a great morning. Thank you, Chair.

Thank you for coming here, Mr. Winfield, and for taking the time to come and see us. As you know and as you mentioned in your opening remarks, part of the mandate of the committee is to provide recommendations on how to improve the siting and the process for large-scale energy projects.

I wonder if you could start by telling us a little bit about your academic work in the field of energy.

Dr. Mark Winfield: I'm the author of a number of articles, book chapters—a couple of which are still in press—blogs and other contributions around energy policy in general, and more specifically around electricity policy in Ontario. I've focused more on the system-planning-level questions and how that planning process has unfolded. We've looked in particular—and I think I

sent around as one of the PDFs an article that was published in the journal Energy Policy which is a big international energy policy journal, which was essentially a summary of the contribution that I and colleagues at the University of Waterloo made to the Ontario Energy Board's original review of the original integrated power system plan in 2007-08.

0840

The way that process worked out is that the energy board hearing was cancelled before we actually managed to testify, but that paper in particular is our kind of core reflection on the implications of sustainability and sustainability assessment for energy system planning. This, in part, flowed from the government's requirement that the Ontario Power Authority demonstrate a considered sustainability in system planning.

We never actually got to test that requirement because the energy board never got to conclude on the first IPSP. But in a sense that fed in some ways into the more general critique that we provided in the paper, which again goes back to—and much of my work focuses on this question of the issue of uncertainty and the extent to which the assumptions on planning that have traditionally occurred seem to be—perhaps "collapsing" is not too strong a word to describe it. The government and the OPA, in effect—and this is not unique to Ontario. This is happening in US states. It's happening in western Europe as well. System planners and managers are now trying to figure out, "How do we cope with planning this sort of infrastructure when the assumptions on which we have traditionally operated aren't holding anymore?"

Mr. Bob Delaney: You mentioned in your opening remarks that—I'll use your words—you have "no material knowledge" of the gas plant relocation. Just for perspective, are you a P. Eng. or do you have a science background?

Dr. Mark Winfield: No. My actual background is that I have a PhD from the University of Toronto in political science, so I'm not an engineer. I'm a policy person.

Mr. Bob Delaney: Have you worked in the energy field for any of the power companies in—

Dr. Mark Winfield: No, no. Prior to becoming an academic, I was a policy director with a non-governmental organization called the Pembina Institute. I was the Ontario policy director and we actually undertook a number of studies on the Ontario electricity system at that stage. Prior to that, I was director of research with the Canadian Institute for Environmental Law and Policy.

Mr. Bob Delaney: So then, within your scope of knowledge and expertise, could you talk a little bit about how Ontario's current system of power generation and transmission would compare to the system we had in the past, for example, when you and I were growing up?

Dr. Mark Winfield: I think there are some significant changes, the most obvious one, of course, being the phase-out of coal-fired electricity. That is the most obvious difference in the supply mix. The other major shift that has been happening has been the increasing

introduction of renewable energy sources. We've gone basically from a standing start: As of 2003-04, I think there was about 150 megawatts installed, and we're now running somewhere in the neighbourhood of around 1,700 megawatts installed, principally of wind, a lesser amount of solar.

That said, certain other things—and there is also a renewed focus on conservation, which again was picked up in the early part of the last decade after a long period in which we didn't pay much attention to conservation. That part is playing out, although it's harder to actually document the exact impact of the conservation side on demand, given that we also know that there are structural reasons why electricity demand is declining.

The one thing that hasn't changed is that the system remains about 50% nuclear. In fact, it's been drifting quietly upwards, closer to 60% recently. That remains a source of concern on my part, given that the technology suffers from certain inflexibilities. It suffers from what those of us who study energy policy refer to as "high-path dependence," which more colloquially means lock-in effects, that once you've made a decision that you're going down that path, you're kind of stuck with it for 70 or 80 years, regardless of how the universe outside might change.

So there are some very significant changes, particularly in what are sometimes referred to as the marginal resources, but there's also a certain degree of sameness as well about certain core elements of the system, which in my view have tended to be more the drivers of the conceptualization of the planning process.

Mr. Bob Delaney: Let's come back to a comment you made regarding coal-fired generation, which, as you accurately noted, Ontario has moved away from. How reliant on coal had Ontario been prior to the move to more diversified and cleaner sources of energy?

Dr. Mark Winfield: At the peak, which was at the height of something called the nuclear asset optimization plan, which occurred in the late 1990s when we took the seven oldest nuclear units out of service for refurbishment, coal was providing somewhere in the neighbourhood of 25% of the system capacity.

Mr. Bob Delaney: Did you follow, as the events occurred, the cancellation of the proposed gas-fired peak power generation plants in Mississauga and Oakville?

Dr. Mark Winfield: Not in excruciating detail, I guess, is the way I would put it. I sort of observed these events occurring. I looked at it more from the perspective of system planning and what the implications were.

There are two dimensions. There's the location-specific facility fight, if you like, the sort of classical—what sometimes gets referred to as "locally unwanted land use," a LULU in planning speak. There was that dimension to it and the question of how the OPA had approached the siting questions and how the environmental assessment process had worked in relation to these facilities, or not worked. So there's that level of question.

Then the other part that I must admit I spent most of my time thinking about was that what we're not recog-

nizing here, perhaps, is there's a fairly major policy choice being made here about technologies. The fact that demand is not turning out to be as much as we thought it would be for a range of different reasons, some of them related to conservation, some of them related to structural change in the economy, meant that we didn't need as much generation as we had thought we did when the OPA wrote the original integrated power system plan.

The government was in effect making a choice. It could make a choice at that stage of, "We could have less nuclear, or we could have less gas, or we could have less something else." What happened that concerned me most is I looked at it from a system level: "We're making a very quick decision that we'll live with less gas." We could have lived without a nuclear refurbishment instead. There are different economic and environmental consequences that went with those choices.

So that was the level at which I followed it. I did not follow the details of the decision-making and what unfolded subsequently. I was more concerned about, "What does this mean in terms of how we are approaching system-level planning? Why are we having an event like this happen?" which effectively implies that something has gone wrong in the planning process, and we're now getting political interventions to try to correct that problem.

Mr. Bob Delaney: Were you aware, at the time that the Ministry of Energy then put out the call for proposals, that both sites had been zoned industrial and in the case of Mississauga zoned industrial/power plant? In other words, both sites had been zoned specifically for that type of development. In the case of the city of Mississauga, the city of Mississauga specifically granted a building permit as far back as 2005.

Dr. Mark Winfield: I did not follow the siting process to that level of detail. What I was more interested in at that stage—it's more the question of the social conflict that occurred. I mean, you sort of have two things going on. You do have a formal, textbook approval process unfolding, but then you also had this fairly intense political conflict that then happened, particularly in Oakville, when the town did start making quite significant moves using its municipal planning authority to try to block the plant and—

0850

Mr. Bob Delaney: So let's talk about that just a little bit, then. At the moment, if you're a municipality anywhere in Ontario, while you have to plan for such things as waste removal, water and sewer, and a host of other things, one of the things you don't have to plan for, especially if you're building a new subdivision, is how to get electricity in there.

Could you talk to me, in terms of the siting process, about some of the things that in your opinion municipalities might have to consider, looking forward, to integrate planning for electricity into such things as new developments, intensification, rezoning and other things that would affect the use of land?

Dr. Mark Winfield: I think one of the issues that surfaced here has been that the land use planning

universe and the energy universe have not actually been terribly connected in Ontario, that energy has not been a lens through which planners look at the universe. At the same time, the energy world was sort of a universe unto itself as well. The LDCs did their thing, but there was very, very little crossover between the two.

That was, I think, partially that we didn't pay much attention for a long period of time. For nearly 30 years, we didn't actually site energy facilities in Ontario, because after we had basically made the decision around Darlington in the late 1970s, we really didn't do any new major facilities until the early part of the last decade, when we realized 80% of the assets were starting to reach end of life and we were going to have to start locating new facilities. It was at that stage that suddenly we began to realize we were going to have to have a conversation with the planning universe. That conversation really only got as far as some provisions in the provincial policy statement to the planners that said you've got to accommodate energy facilities, but it never evolved further than that.

Now, more recently, the government has raised this question of both regional energy planning and also what's referred to as municipal energy plans or community energy planning, which I think is very welcome and is drawing some attention in the planning world to the energy dimension of things. But we're still at a relatively early stage of that process. I mean, this was all relatively new. The province or its agencies had not been in the business of trying to locate large energy infrastructure for a long time, and municipalities had not been presented with the possibility of needing to accommodate that kind of infrastructure—sort of a greenfield tabula rasa, as it were—for a very long time as well.

Mr. Bob Delaney: To add to that, in the past that you and I have been discussing, as you've pointed out a few times, those were large and centralized energy production projects, and today, every jurisdiction in the world is looking at the same type of decentralized power grid as they have in their information technology grid. For example, there are no central data repositories in the Internet; it's very widely dispersed. Power generation and transmission have been moving in much the same direction.

You accurately point out that for nearly a generation, Ontario had not really engaged, you point out that municipalities had no clearly defined role, and, as such, we were in an area where there wasn't a lot of definition on what role communities should play, what role municipal councils should play, and how both of them should interact with a regulatory authority like the OPA and with the government of the province.

Let's move on to some of the role that perhaps public consultations could play in the siting of energy infrastructure. Could you talk to me a little bit about how municipalities and communities should not merely get engaged when a project is proposed but get engaged in terms of thinking about where energy infrastructure within their county, their city or their region should be?

Dr. Mark Winfield: I think what has been happening is that municipalities have in some cases been moving in those directions. I think you're seeing that in the case of the city of Guelph, for example. There have been some very interesting things going on in the city of Toronto as well recently under this sort of general rubric of what's termed "community energy planning," which is an attempt to integrate the energy piece and the land use planning and infrastructure pieces.

This has been in Ontario, until very recently, a very bottom-up kind of exercise, where it has been individual municipalities who have been doing most of the intellectual work and the heavy lifting to move that forward. We're beginning to get indications of a more supportive response from the province. The province initially was fairly passive about this and is now engaging a bit more in the community energy planning piece.

I think the complications which have not been fully thought through yet are that the municipalities that are engaged in community energy planning exercises are tending to look at it from an energy security perspective and from a self-sufficiency kind of perspective. We haven't really crossed the question of where does what the municipalities do in terms of their community-level energy planning exercises—how does that cross over with the provincial-level infrastructure planning exercises? That's the unknown territory.

We had a bit of a glimpse of this. There was a bit of a dispute between the OPA and Guelph over that level of interaction, so we're at an early stage that way. So that part is sort of resolving this question of, "How do we deal with the provincial-level infrastructure that has to go somewhere?"

I think we're still trying to sort that out, because we didn't really have a very clearly defined process. The OPA and others have pointed out that they made siting decisions based almost entirely on technical and grid considerations and didn't really consider the interactions with the host communities very much. So we're in a stage of having to invent or reinvent processes to deal with that set of interactions. We're not there yet.

Mr. Bob Delaney: Okay. Thanks, Chair. I'm going to stop there for this round.

The Vice-Chair (Mr. Phil McNeely): We'll now go to the opposition and to Ms. MacLeod.

Ms. Lisa MacLeod: Sure. I may split my time with my colleagues, but I do have some questions for you, Professor Winfield. I appreciate you taking the time to join us here today.

I know my colleague Mr. Delaney had asked a few questions that I think I would have asked just in context of who you are and what brought you here, those sorts of things. I think I'm satisfied with your responses with respect to that.

What I'd like to jump right into is an article that you wrote in my hometown newspaper, the Ottawa Citizen, on May 14, 2013. It was entitled, "Gas Plant Fiasco Is Just the Beginning: Ontario's Liberal Government Stands to Waste a Lot More Money If It Doesn't Change Its

Approach to Energy Policy.” You’ll probably appreciate that I’ll agree wholeheartedly with that statement.

In the last paragraph of that article, you had been talking about a piece of legislation the McGuinty government had left on the table before prorogation with respect to planning. You talked a little bit about Kathleen Wynne coming on board as the Liberal leader. You make a statement in there: “Premier Wynne’s government needs to inject reason and accountability into the energy system planning process.”

This article is almost a year old. Is it, in your opinion, within that last year, that they have, in the Liberal Party, injected “reason and accountability into the energy system planning process”?

Dr. Mark Winfield: It’s a complicated question. I think, in some ways—

Ms. Lisa MacLeod: You can just say no if you want to.

Dr. Mark Winfield: I think, though, that this is a matter where there are shades of grey. I think that there are certain things that the government has moved on in some ways, the regional planning question and the municipal energy planning things being good examples of that.

There was considerable consultation around the revised long-term energy plan. The parts that continue to concern me are, one, that to some degree, the basic planning paradigm that we’ve been following that the OPA started with back in 2004-05 is still basically in place. So I think the vulnerability to changing circumstances and assumptions not turning out to be what we thought they would be is still there. We haven’t really come up with a planning paradigm that is sufficiently flexible and adaptive to deal with the fact that, as Mr. Drummond said, we’re dealing with a cone of uncertainty that gets larger the further we go out. So that’s one dimension.

0900

The second dimension that causes me concern is that we’re not sure how the process around this new long-term energy plan is going to play out. If you recall, the original process in the Electricity Restructuring Act of 2004 said that the OPA is to develop a plan. It’s to go to the energy board. The energy board is to review the plan and it’s to make a decision about whether to approve it or not, and then we can move into implementation. The way it played out, we had about two weeks of hearings before the energy board in 2008, and then the plan was withdrawn, partially because circumstances were already changing and assumptions were falling apart.

My concern is that since then, the OPA wrote a second integrated power system plan. It never went to the energy board. We’ve now got the long-term energy plan on the table. We don’t know if we’re going to see an actual integrated power system plan and, most importantly, we don’t know if that’s going to go to the energy board or what, in terms of some sort of external review, where the assumptions the OPA has made can be challenged by

experts and the energy board can make decisions about, were those assumptions valid or not?

This is the part that worries me increasingly: I’m unsure if the government seems to be sort of pursuing where Bill 75 was taking us without having actually finished the legislative part of the exercise. I’m also on the record as having said that I think where they were going with Bill 75 was a mistake, that we need the rigour of the energy board review for these big infrastructure decisions. Are they cost-effective? Are they prudent? Do they advance environmental sustainability, which is again one of the regulatory requirements that was in the process? We need the energy board process to precisely guard us against these risks of uncertain assumptions about need, about costs, about those sorts of things.

That’s my somewhat more complicated answer to your question, that there’s some cause for concern because it’s not clear, at the provincial-level planning process, how this is actually supposed to work, and where do we get the external review of the assumptions, particularly on the big infrastructure investments, the big path-dependent ones that we’re going to be stuck with for a long time? Where do we get to have that conversation in front of a real regulator, where the assumptions get examined? When does that happen in this process? At this stage, we don’t seem to have a clear answer to that question.

Ms. Lisa MacLeod: So you don’t think that the LTEP has addressed those issues?

Dr. Mark Winfield: No, the LTEP is a statement of policy. Again the problem is—it was subject to consultation, but that’s very different from it being put in front of a regulator that has a mandate to look at it from a viewpoint of environmental sustainability, cost-effectiveness and prudence, before which both the OPA has to present its evidence and, crucially, third-party interveners have the opportunity to examine the evidence, to challenge it, to cross-examine the OPA’s witnesses and say, “What were your assumptions here?” and indeed to introduce evidence of their own which may contradict, which may challenge assumptions, and to have the energy board make the decision about, are these valid assumptions or not? That part is not happening, and we’re waiting to see it.

Ms. Lisa MacLeod: Are you still concerned that there could be politicization in future siting, whether it’s a gas plant or it’s a wind turbine development?

Dr. Mark Winfield: Well, on the gas plants we’re mostly, so far as we know, through the siting saga. There are 21 plants; 19 of them are running. We have these two that—actually, there were three that got more complicated. I’m less concerned about the politicization of siting, because the siting is now relatively bottom-up. It’s sort of the big piece of siting which is still playing out somewhat. Even that is somewhat resolved around the renewable side, where you’ve got a lot of wind facilities in particular which are contracted under the FIT program and which are still to be constructed and rolled out over the next couple of years.

I'm more concerned about the fact that the planning paradigm in which we're operating is still what we term political management: the government's way of responding to this problem of uncertainty and the apparent inability of the OPA to write a plan that can survive two or three years of changing circumstances. It also can kind of throw up its hands and say, "We can't make the planning work. We'll deal with this through relatively short-term management through the instrument of the ministerial directives." I can understand the appeal, but I also think it probably doesn't serve us well in the longer term. We need a planning framework because we are making big, long-lived infrastructure decisions. We need a process for testing the assumptions that underlie those decisions before we lock them in and for thinking about, "Do we have alternatives?" or different ways we can meet these needs.

That's the piece that we're missing. The government's current approach, to date, and I emphasize that—we don't know for sure, but I'm not seeing any signal that would suggest that anything flowing from the long-term energy plan is intended to go to the energy board for some sort of a review in terms of, does this all make sense? We know there are a number of big choices there about nuclear, imports from Quebec, about other things, about how much conservation is possible.

The demand forecast, which is in a sense the core of a planning exercise, remains, I think, an area of considerable uncertainty and where I think it would be helpful to have more expert reflection on where electricity demand is going in this province because that's what we make investments based on.

Ms. Lisa MacLeod: Yes, that was interesting. At the top of that answer, you talked about political management, and you said, "Can a plan survive three to five years?" and that we needed a planning framework. That's consistent, I think, with your article in May 2013.

You wrote at the time, "The gas plant situation reflects much deeper problems than arguably poor facility siting decisions. Rather, the situation represents the culmination of an increasingly explicit politicization of decision-making about the province's electricity system over the past decade." That's your quote.

Dr. Mark Winfield: Right.

Ms. Lisa MacLeod: As somebody who has obviously followed this gas plant fiasco and as somebody who has a wind turbine development slated for her community, I certainly have seen the politicization of it. I'm just wondering if you might want to elaborate a little bit more on the politicization of the electricity system here in Ontario over the past couple of years.

Dr. Mark Winfield: Again, context is important. There is an argument that it was ever thus, going back to the time of Sir Adam Beck, and that in some ways it was simply more subtle. Since 2004—and one has to contextualize that very carefully, that the government, at that stage, was dealing with the fallout from the experiment with a purely market-based system, which didn't work out very well. There was a perception of crisis at that

stage of the game. There was an attempt to reintroduce some measure of rationality. The OPA was created for the purpose of reintroducing a planning framework of some sort.

The problem has been that there was a need to manage things in the shorter term as well, and that led to the directive power in the Electricity Act. As things evolved, the OPA's ability to plan in a way that was perceived as having legitimacy and therefore political resilience—when the OPA came up with the plan, people agreed this was a reasonable plan—was a problem. Then there was this problem that when the OPA came up with plans, they kept being overtaken by events: that demand wasn't going up, but it was going down; that nuclear wasn't costing us six cents a kilowatt hour, but it was costing us an awful lot more to refurbish plants. Indeed the bleed is still open in some cases.

0910

And then there were these political—these sort of social conflicts at a local level around facility siting. What you've got in response is interventions from the political level to sort of fight the perceived fires; I remember one Minister of Energy described it to me as a kind of a "whack a mole" situation. But what's happening there is, it is effectively a kind of management response. It's an attempt to manage adaptively to the situation because the planning process isn't working very well.

That would be my take: You're getting social conflicts, you're getting problems, the need for political-level interventions, because the planning process isn't working very well.

Ms. Lisa MacLeod: Would you agree, though, Professor, that it isn't just in the siting of gas plants, that it's in the siting of most of our energy plants that there needs to be a better process, whether that's nuclear, wind turbine or solar panels? I think hydroelectric has already been around for many, many years and that's a bit of a different situation. But wouldn't you say that the planning process for the OPA needs to be less political and needs to have a more firm process in place?

Dr. Mark Winfield: Well, what happened in part was—and it goes back to my answer to Mr. Delaney's question. Part of it was that we hadn't actually tried to site any energy infrastructure in this province for nearly 30 years, from about the late 1970s. Even on the transmission and grid side, the basic locations were determined and we were doing some maintenance and upgrades, but we weren't actually trying to locate new facilities somewhere.

So when the OPA first started these exercises, it tended to look at the facility-siting question—and they admit this in the little paper they provided on the regional energy planning—very much through a technical and a grid-type question, a very pure kind of engineering view of the universe, that this is where you should put the gas plant and we don't really care that there's a whole bunch of other land uses in that location and that there may be social conflicts. That approach to things has led, in some cases, to quite significant social conflict.

I think there were two problems with that. One was that because the macro-level plan had never been subject to any sort of real review and approval, communities saw facilities sort of landing from outer space in their backyards in a way which was unusual and they had not seen for 30 years in Ontario.

Ms. Lisa MacLeod: It's consistent with Bob's application—

Dr. Mark Winfield: But that's part of it. Communities are being presented with these decontextualized "Why are you putting a gas plant in our backyard?" kinds of thing—or wind turbine. And then, too, the actual process itself was very top-down. It did not necessarily involve a lot of conversations with the municipality or the community about why we're here or whether you want us here.

So you had those two components playing out. Where that lands is, in some cases, in quite intense social conflicts, the technical term academics use to describe people with signs saying, "No gas plant in our backyard." And at some point in a democratic society, that is likely to prompt political interventions to try to put the fire out. That's where you end up with the sorts of things that happened in Oakville and Mississauga. The political level feels it needs to become involved because it has to try and put the fire out in some way, that the political cost of what's unfolding has become too high for the government of the day to let it just play out the way it's playing out, which I think is what happened here.

Ms. Lisa MacLeod: Excellent. I'll reserve further questions for us in the next round, unless any—

Mr. John Yakabuski: How much time have we got left?

The Chair (Mr. Shafiq Qaadri): You've got about three minutes.

Mr. John Yakabuski: Well, I will ask one question. You're talking about the political interference and the political cost. If you look at the situation in Oakville and Mississauga, you've got large communities and the ability to have pretty strong political effect, particularly when you've got a mayor like Hazel McCallion in the mix, who is a larger-than-life figure; I think we all accept that. Yet the government seems to have no inclination to bend to the political public pressure when it comes to the siting of wind turbines. They've paid some lip service and have said, "We're going to listen to municipalities," but at the end of the day, I haven't heard of any project that has actually been terminated, scuttled or not proceeded with based on municipal objections.

You're the political science guy, yet you do know a lot about energy. That may not be your field of expertise, but you certainly do understand it, and you do understand the politics. Why is it that the government has no interest in listening to the public pressures when it comes—because on a per capita basis, they're all across the province. Is it just because they've written off rural Ontario? What are your thoughts on that?

Dr. Mark Winfield: Again, the renewable energy part is complicated and there are competing tensions, even in

rural Ontario, over it. Initially, there were cases of municipal objections to renewable energy projects. When the Green Energy Act was adopted, we got the renewable energy approval process, which sort of cut the municipalities out of the process. To a certain degree, what has happened now, post-May of last year—

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

Dr. Mark Winfield: Oh, sorry. Very briefly, then, what has happened post-May of last year is that effectively, renewable energy proponents have to demonstrate some degree of community support, so this is about, I think, a de facto municipal voice being brought in that way. Was this the best way to deal with the planning and energy interface around renewable energy? Possibly not.

Mr. John Yakabuski: Possibly? How about probably?

Dr. Mark Winfield: I'll stick with possibly. I mean, I sat here four years ago and said, "I'm not sure this is the best approach to this question," to simply cut the municipalities out altogether, for a number of different reasons.

Mr. John Yakabuski: Ostensibly, they still have.

Dr. Mark Winfield: They do. As I say, effectively, the way the FIT rules have now been changed, it would be very, very difficult to get a contract without municipal support. But we did have the period where—and you did have some degree of social conflict around these projects in the interim.

Mr. John Yakabuski: We still do.

Dr. Mark Winfield: Yes, we still do. So—

The Chair (Mr. Shafiq Qaadri): Thank you, Mr. Yakabuski. To the NDP side: Monsieur Tabuns.

Mr. Peter Tabuns: Thank you, Chair, and thank you, Mr. Winfield, for being here this morning. I just have a few questions.

With regard to projection of demand, my read is that historically, more often than not, we've projected more demand than actually ever materializes. Is that consistent with your read of the record?

Dr. Mark Winfield: That is, in fact—yes. Indeed, if I can be indulged with one of my exhibits—

Mr. Peter Tabuns: Indulge away.

Dr. Mark Winfield: Here we go. This is actually a good illustration of what has happened on that front. This doesn't go back the full historical period, but it gives you some sense of what happened.

If you look at the red line here, this was the Ontario Power Authority's reference forecast, as it's referred to, which was basically the demand forecast as of the original integrated power system plan. It went up to over 170 terawatt hours per year. If you look at the actual electricity consumption, which is the lighter blue line over here, you can see that instead of going up, it actually, as of 2004-05, began to go down. What we've had since then has essentially been a flat line, very mildly negative.

And then there are again disagreements about where we're going in the future. This line here is the long-term energy plan as of 2010, which suggested that demand was going to go back up, particularly as of about 2018, for some reason. This is the external forecast, which is

the North Eastern Reliability Council, which suggests, in fact, that demand is going to keep dropping until around 2018 or so and then may start to increase again.

It's important to keep in mind with NERC, which represents the utilities all over the northeastern part of North America, that this is consistent across the board. This is not unique to Ontario, that we're getting these sort of negative or flat demand forecasts.

This has been, in my view, one of the fatal flaws in the planning efforts, that for the past 30 years, going back all the way to Ontario Hydro's demand supply plan in the late 1980s, there has been a tendency to overestimate the demand forecast projection. That runs the risk of over-building the generating infrastructure. That is a particularly serious problem if you're dealing with things like nuclear power plants, which are extremely long-lived. If you make a bad decision, you're stuck with it for a very, very long time, and you're stuck paying for it for a very, very long time. So this has been one of the critical areas of vulnerability in the planning exercise, the question of the demand forecast.

0920

Mr. Peter Tabuns: Looking at your diagram, consumption had been dropping from 2005, so that by September 2009, demand had been dropping for four years when the Oakville plant was signed on.

Dr. Mark Winfield: Yes.

Mr. Peter Tabuns: That was the same year that the Mississauga contract was renegotiated, so in both cases, we've seen substantial drops in demand and—you may not know this—within the region that was going to be served by those plants, very dramatic drops year over year.

What are the key lessons to take away from the gas plant cancellation scandal, from this mess?

Dr. Mark Winfield: What this implies is the need for a much more adaptive and a much more resilient approach to planning than what the OPA has pursued so far, is the basic bottom line. There needs to be a planning framework, but it needs to be one which is sufficiently flexible that it can accommodate these sorts of uncertainties about demand.

I think the critical piece that comes out of that in particular, where this becomes particularly problematic, is around the question of the role of big, centralized infrastructure—in Ontario, read nuclear—that has very long planning and construction time frames, and then very long facility life cycles once you've built. You're looking at 15 to 20 years from the point that you make a decision to build to the point when you have a plant, and then, potentially, a facility life cycle, if you're assuming at least one refurbishment, of 50 years. As Al Gore once said, nuclear only comes in one size, and that's extra-large. You've got big, big infrastructure with very, very long lifetimes, and that becomes very, very problematic if you're dealing with this kind of uncertainty, because it precisely takes away your ability to decide to change course.

What you want is to be adding supply if you need to add supply, on a much more incremental scale. "Scalable"

is the technical term that we use. Gas has been appealing that way because you can scale it to anything you want, big or small. Renewables have that advantage, too, as you can go big or small or in between.

They also have the advantage of relatively short construction and planning timelines, less than five years, and somewhat shorter facility lifetimes, 15 to 20 years as opposed to 50 to 80 years, so you also have more opportunity to correct. You're not stuck with something forever if you discover demand is going down. Or conversely, you may discover you have to add capacity because demand is going up on you unexpectedly.

That, I think, is the most central lesson that comes out of this, that this is emerging as one of the two central problems: (1) that the demand forecast is uncertain, which makes planning hard, and then (2) you've got big technological developments happening as well that have cost implications, environmental performance implications, and reliability—outright energy performance—implications.

You've got to cope with that uncertainty, too, that we discover things are working better and are becoming cheaper as time goes on. Conservation and renewables fall into that case. We've had this unexpected development: Natural gas prices have fallen dramatically, relative to what we thought they would be when a lot of the planning decisions were made. Costs of renewables have been dropping dramatically as well, as technology is evolving. Storage technologies are coming online. The grid is becoming smarter, as it were.

We need to be able to take those sorts of technological developments into account as well, so the system has to be sufficiently adaptive and flexible. This is the tricky part. You need both adaptability and flexibility. At the same time, you do want some measure of rigour in the review of the plans that emerge. You still want to get in front of a real regulator where you can ask the questions about, "Are the assumptions valid and are we sufficiently flexible in how we've approached the planning process and our technological choices and our investment choices that enable us to cope with these sorts of uncertainties?"

There are other uncertainties emerging as well. The other big one that's now getting a lot of attention is the impact of climate change, which affects the performance of many of the generating technologies and also has implications in terms of resilience of the grid and of the overall system—again, something which was not taken into account very well in the OPA's planning exercises. It's very, very late in the game that we've—before the ice storm, but those conversations only began in a serious way in the last couple of years, about, "What are the implications of climate change for the grid and for transmission systems and for resilience?" Again, these are things the system has to be planning to be able to cope with. This is where the adaptive capacity comes from.

What you had happening, it is my suggested diagnosis, is that the government was effectively trying to deal with this problem of adaptation and uncertainty through the instrument of the ministerial directive. This was sort of

the adaptive management framework that emerged, and on the one hand I can understand it, but I also see it as problematic in the longer term.

Mr. Peter Tabuns: I notice from your graph that the northeastern reliability council, NERC, has projected a substantial drop in demand in Ontario to the end of this decade—

Dr. Mark Winfield: Yes.

Mr. Peter Tabuns: —and we're about to embark on a \$25-billion program of refurbishing nuclear power plants. Should we be assessing the business case for those refurbishments in light of this?

Dr. Mark Winfield: Unquestionably. Let me see here. This is another slide. This one is a little harder to see, I suspect.

Mr. Peter Tabuns: You're right.

Dr. Mark Winfield: The crucial piece is here. These are the demand forecasts in the long-term energy plan consultation document. I would draw your particular attention to this lower line here, which is what they term the low projection. That's basically consistent with what NERC is saying and indeed what the IESO has been saying as well. Indeed, if you asked for my opinion, I think it is the more realistic demand projection.

If you look carefully out here—there's a little bit of purple here as the potential Bruce refurbishment—you'll notice that green line sort of cuts right through the middle of the columns here. The implication is that if demand looks like that, then, yes, we would be in an overbuild situation. And this here, the existing contracted resources in the course of—this is the gas, the existing and updated hydro and the renewables. One of the things that emerged here is—this is assuming also only about 40% utilization of the gas resources which are contracted, so this is even assuming relatively low levels of utilization of the gas.

So I think the answer to your question is yes, there is a very serious question about the rationale for those refurbishments at this stage of the game. This is precisely the sort of question that we would probably want to have in front of a real regulator before we proceed, because it really becomes quite crucial to test the assumptions about where demand is going to be and therefore what sorts of supply resources we're actually going to need.

Mr. Peter Tabuns: So, based on what you've said, I'd conclude that the lessons that we should have taken away from the gas plant location and then relocation, and the subsequent cost—those lessons weren't learned, and it looks like we're on a road to repeat those mistakes.

Dr. Mark Winfield: To a certain degree. I mean, I think there are potentially a number of mistakes being repeated also around nuclear refurbishment projects, which need to be looked at very carefully before we proceed. But the problem here is, say, slightly more complicated, that in a sense, the gas plants were built into a plan that assumed these relatively higher—the red curve here.

0930

Mr. Peter Tabuns: Yes.

Dr. Mark Winfield: When we discovered what we were getting was the blue curves, that effectively opened

up a gap in which, potentially, we had the opportunity to make choices, that we could decide we don't need some gas plants. We could have decided we don't need some nuclear refurbishments instead, or we could have made other choices about supply.

What happened was that we didn't have that conversation about what might be the best choice. How do we want to adapt the plan to this changed circumstance? Instead, the government, finding itself confronted with a political crisis, effectively made the choice in a relatively short time frame.

If I'm looking at this from a planning perspective—you know, what went wrong here—clearly something went wrong in terms of the siting and how that was managed, because we ended up with a very high level of social conflict around this, though that was not unique. But then there was also the question that we were effectively making choices about the supply technologies we're going to use in the system here, and we didn't really reflect very much on the choice that we were making. We were back to a crisis mode of decision-making and got the decision that we got.

Mr. Jagmeet Singh: Professor, what my colleague was alluding to is that we made certain mistakes—or the Liberal government made a mistake—and one of the mistakes was that in light of decreasing demand, we increased our production, increased our capacity. That specific mistake looks like it's going to be repeated because, again, in light of the evidence, which looks like demand is on the decline, we are investing billions and billions of dollars in increasing our capacity when we don't need to do it. Do you agree that it looks like we are on that path again?

Dr. Mark Winfield: I think there's a significant risk that—

Mr. Jagmeet Singh: So why don't you agree that we're on that same path again?

Dr. Mark Winfield: I think that there's some degree of uncertainty about demand. But one needs also to keep the context around this, that when decisions began to be made in 2003-04, we were, at that stage, being propelled by a context of crisis. The expectation was that demand would continue to grow. There were all sorts of reports that suggested that was the case, and that 80% of generating assets were going to reach end of life because of nuclear plants reaching end of life, the coal phase-out and other things happening. At that stage, decisions were being made on more of a crisis management sort of frame. We've learned subsequently that there wasn't that much of—the crisis was less than we thought.

But, that said, I do think this problem seems to keep repeating. Why it's happening is a more complicated question.

Mr. Jagmeet Singh: Sure. What I want to drive home is that if we are not serious about identifying the problem, we won't be serious about rectifying it. If we can't say clearly that the mistake was—one clear mistake; there are many others. It's obviously a complicated issue, but one mistake is that if you don't need something, if the

demand is not there, we shouldn't be building more. If there seems to be that issue at hand that demand is going down and we are going to commit billions of dollars to increasing construction without looking at the variables, without having a discussion, then we're repeating a mistake. It needs to be said forcefully so that we can take it forcefully and do something about it.

Dr. Mark Winfield: That conversation needs to happen. This is my point about why the plan needs to go in front of a real regulator, because I think we need to have a proper conversation, a rigorous conversation, about the demand forecast question, and we need to have a proper conversation about the advisability of the different infrastructure investments in response to that. The only place to do that is in front of a proper regulator, where the evidence can be examined in a rigorous way.

We can engage in consultations and discussions forever, but we may never get to a resolution. The reason we have those sorts of regulatory processes is precisely a way of putting these kinds of disputes in a place where we can have a reasonable, managed and bounded, and constructive conversation about them.

Mr. Jagmeet Singh: Thank you, Professor. My colleague has some more questions.

Mr. Peter Tabuns: Just going back to the article you wrote about the gas plant scandal for the Ottawa Citizen, I think it was: One of the policy fixes/repairs that you proposed was taking on the California approach of setting conservation as the first priority for supply and allowing the system to be built around that priority. Can you expand on that?

Dr. Mark Winfield: This has been a long-standing suggestion for Ontario, and it's one which, in fairness to the government, the long-term energy plan, the most recent one, does acknowledge; it talks about conservation first. This is not an unusual policy approach. It's one we see in British Columbia. It's certainly one that California has worked with now for approaching 40 years. The basic rule is that before you can get approval to build new infrastructure, particularly generating infrastructure, you have to demonstrate that you're making an effort to pursue all of the achievable and cost-effective, i.e. economically rational, opportunities for conservation.

The problem again with the long-term energy plan is this question of, how do you enforce that? In California, utilities have to go in front of the California Public Utilities Commission to get approval to put things into the rate base to build new power plants or to do other things. The commission asks, "Where is your conservation plan?" The same thing goes on in BC to some degree. In Ontario, if we don't have the plans going in front of the energy board, we don't have the enforcement mechanism whereby the board can ask the question and make it stick: "OPA, are you demonstrating you're pursuing all of the achievable cost-effective conservation before we proceed with building new stuff?"

Mr. Peter Tabuns: Thank you, Doctor.

The Chair (Mr. Shafiq Qaadir): Thank you, Mr. Tabuns. To the government side, Mr. Delaney: 10 minutes.

Mr. Bob Delaney: We have just two or three questions that, I hope, will be brief ones. I've noticed, very much like the government, you do believe in the process of conversations, and in looking at your graph here it suggests that the two extremes are about plus or minus 7% to 8% around the actual electricity consumption. Would that be about right?

Dr. Mark Winfield: It would be more than that, I think.

Mr. Bob Delaney: Certainly on the low end, it would be somewhere in the 7% to 8%. Looking at the red line, which is a nine-year-old estimate. That one would be higher, but that 2005 estimate would certainly be superseded. But the point of that is, let's talk a little bit about engaging different groups of stakeholders. Who would be the parties that should engage with one another with regard to municipalities?

Dr. Mark Winfield: In terms of energy planning?

Mr. Bob Delaney: Exactly.

Dr. Mark Winfield: The key actors there are the municipalities themselves and the LDCs, local distribution companies. They are the providers. In some places, those conversations have begun to unfold. Guelph is the most prominent example of that. In other places, it's still at an early stage.

Again, there's this problem with these two levels, though, as I described before, that you have what we term "community energy" but sort of termed, in the policy community, "community energy planning," which is what Guelph and others have been doing, which is sort of focused on district energy, self-sufficiency—those sorts of things. There's that conversation. Then you also need to bring the gas utilities into that conversation as well. They are important players, but then there is this other question of, well, municipalities may develop these plans which may embed distributed generation, energy conservation, a certain amount of renewable generation. Then there's this question of what happens at the provincial level where what the municipality is doing interacts with what the province is doing.

0940

Mr. Bob Delaney: Just so we don't let ourselves run away with the question, we were talking about entities that should engage with municipalities. You've mentioned local distribution companies, gas utilities. Do you feel that municipalities should not, in a normal course of events, engage with residents?

Dr. Mark Winfield: Unquestionably.

Mr. Bob Delaney: Should not?

Dr. Mark Winfield: No, they should.

Mr. Bob Delaney: Okay, they should.

Dr. Mark Winfield: I'm thinking about who the actors are. If we're talking about community energy planning, then, yes, you have to have the municipal government, you have to have the utilities and, yes, you need the residents engaged in the conversation too.

Mr. Bob Delaney: From the standpoint of the regulator, the OPA, who should engage routinely with the OPA?

Dr. Mark Winfield: It depends on the context. It depends on what question the OPA is asking. It's partially a question. In general, there is the cast of usual suspects.

Mr. Bob Delaney: Who are the cast of usual suspects?

Dr. Mark Winfield: There is a policy community, if you like, which includes, you could argue, the OPA itself, the IESO, Hydro One, the LDCs, the Ministry of Energy, possibly other ministries as well, and then—

Mr. Bob Delaney: For the purpose of the question, let's separate policy from the OPA and look upon the OPA as the licensing entity, just within the context of licensing and doing long-term projections. Who should the OPA, in the normal course of events, be engaging with?

Dr. Mark Winfield: Well, keep in mind that the OPA—I don't think of it as a licensor. That's the energy board's role. The OPA is the planner and it's also the contractor. It ultimately signs the contract with a supplier to develop a facility.

Mr. Bob Delaney: Let's correct that because in that context you're correct. Let's talk about it, then, from the contracting point of view.

Dr. Mark Winfield: Again, it depends on the context and what one is doing. I think that at a policy level, at the planning level, you want engagement with as wide a range of stakeholders in the public as possible, because part of what you're trying to do is build legitimacy.

Ideally, what you want, when the OPA articulates a plan, in the most part, is acceptance of that plan by both what we would term the state and non-state actors in political science speak, if you like, both the government agencies and entities who are involved in the process, be they provincial or municipal or local. But you also want the non-governmental actors to accept the outcome. So at that level you want as broad an engagement as possible.

When it comes to the specific question of contracting, that's more complicated and there are issues. My own preference would be a relatively high degree of transparency, where the contracts are available and people can see, once the contracts are signed, what's there. You certainly need to have very clear transparency around bid conditions, qualification, those sorts of questions. You want a relatively high degree of openness there as well.

Mr. Bob Delaney: In your remarks earlier, you talked about the jurisdiction of California and some of the ideas it had that you liked. You mentioned British Columbia. My final question for you is this: Are there any other jurisdictions that you feel Ontario should examine regarding energy-siting practices?

Dr. Mark Winfield: Well, siting is different from planning. Obviously—and indeed the paper we circulated on the question of the renewable energy approvals has touched on this—the approaches in Western Europe have generally been somewhat different and have seen much,

much lower levels of social conflict around renewable energy sources. So in particular there we looked at Germany and Denmark as possibilities.

In other places, there are disputes still going on: site C in British Columbia; there's a conversation in Manitoba unfolding about Conawapa right now. There are other places to look to, although, frankly, Ontario, pre-late 1990s, in some ways had a relatively sophisticated process—through the Environmental Assessment Act, the Planning Act and the Consolidated Hearings Act—that had been developed specifically for the purpose of dealing with the social conflicts which were emerging around hydro projects, actually more transmission and distribution projects involving Ontario Hydro.

We had certain elements of this ourselves, which, in the confusion of the late 1990s and early part of the last decade, were lost. We could also look to those things a little bit as well, because on the siting questions, we're doing a certain amount of reinventing of the wheel. We had processes for dealing with some of these things that have been designed specifically to try and manage these sorts of social conflicts and get us to outcomes that were seen as legitimate and therefore accepted by the host community. We've kind of lost all that history and all that institutional memory around how to do that, and so we need to think about that as well.

Mr. Bob Delaney: Thank you very much, Mr. Winfield. Chair, I think we're done.

The Chair (Mr. Shafiq Qaadri): To the PC side: Ms. Thompson.

Ms. Lisa M. Thompson: Your presentation today has been provocative. Thank you for being here. I'm wondering, will you be able to share your slides?

Dr. Mark Winfield: Yes. These are all in the public realm. I can send the file to the Clerk. That's no problem at all.

Ms. Lisa M. Thompson: Okay. I'd like that very much. Thank you.

Okay, you went back to that slide. Good. In your opinion, can you explain the absolute discrepancy, the glaring discrepancy, between OPA and the rest of the forecasting? How did they get off the rails?

Dr. Mark Winfield: Well, I think there are a number of things that happened, some of which are not entirely OPA's fault, although there were criticisms very early on, even when the OPA was beginning to formulate the first integrated power system plan, that they were overestimating on the demand side. At least initially, it was thought that the drop-off that you saw there between about 2006 and 2008-09 was partially cyclical, that it was the economic downturn. The expectation was the curve would start to do this afterwards.

What they didn't fully take into account was that the nature of the economy in Ontario has been changing, and it's becoming less energy-intense, so there's a structural change happening in the economy.

Ms. Lisa M. Thompson: Why is that?

Dr. Mark Winfield: That's a very complicated question. It largely relates to the decline in manufacturing

and the growth of service- and knowledge-based economic activity instead. The drivers of that are complicated: labour costs—there are for some sectors, like forestry, problems of competition from other jurisdictions that can grow trees faster. It's a very, very complicated set of questions around structural change. Also remember that structural change long predates this. Most economists would tell you that change has been happening in the Ontario economy since the mid-1970s, really since the first oil shock, accelerated in 2008 somewhat, which is what tends to happen in Ontario during recessions. That's part of what's happening there.

The other problem was that in 2010—because what we're really looking at here was the long-term energy plan medium growth as of 2010—the government did make the demand forecast part of the supply mix directive. It told the OPA, "This will be the demand forecast you'll have to work with." From the viewpoint of many of us who have watched this, that was very problematic because, as I was discussing with Mr. Tabuns, the demand forecast has been the real point of vulnerability in our attempts to do electricity system planning in Ontario for the last, really, 40 years. That's where the plans keep falling apart, so it's the part you would probably most want a conversation about. I think that was part of the problem.

Behind that, I think we're still—this gets more complicated—in a world where we tend to associate increasing electricity demand with economic prosperity. So there may be a reluctance on the part of the government to say demand will go down, because people may perceive that as meaning the economy is going bad. Of course, the tail end of this curve—part of the interesting thing is, although demand is flat to mildly negative, we're actually now in a period where economic growth is mildly positive, but it is positive. The economy is actually growing now, even though demand is basically flatlined.

0950

We're in an interesting zone, but we're dealing with a political context where we still have very deeply embedded in our minds, and in the public's mind, that increasing energy consumption equals economic expansion equals good, and decreasing energy consumption equals economic contraction equals bad. I think that's part of the intellectual hurdle we've been trying to deal with. Because, at the same time, the conservation agenda is precisely about how we are more economically productive when using less energy, so ideally we want productivity to be going up while energy consumption is going down.

Ms. Lisa M. Thompson: I appreciate that. Just changing gears, I really want to hear your viewpoint on a comment you made earlier. You said something to the effect that climate change has an impact on all of our technologies.

Dr. Mark Winfield: Yes.

Ms. Lisa M. Thompson: I'd like for you to share your perspective on how climate change is going to spe-

cifically, either positively or negatively, impact renewables.

Dr. Mark Winfield: That's a good question, to which we are only partially beginning to get answers. Some of my students actually did some work on this. The answer is surprisingly complicated. Wind was generally perceived to work better, because you have higher wind conditions. Hydroelectric is likely to actually work better because most of the reservoirs are in northern Ontario and, in fact, we get increased precipitation, which was a bit of a surprise. This is very preliminary work, and I think these are questions that need to get investigated much more thoroughly.

In effect, the renewables actually didn't do badly. It was more the thermal technologies whose performance seemed to suffer more, mostly because anything that needed cooling water becomes less efficient if the ambient temperature of the water that you're using for cooling purposes—so this is basically something with a turbine: a nuclear plant, potentially a combined cycle gas plant, a coal plant. Basically, if the cooling water that you are using to cool down the steam at the end of the cycle gets warmer, your performance declines and the system becomes less efficient.

So the extent to which I've seen analysis and commentary—and, as I say, I've emphasized this is largely at the level of my graduate students, not something more formal—that was the take on it, that the renewables would actually do okay in terms of their performance. It was more the thermal technologies that ran into some difficulties.

Then, there were obviously big concerns, as we just went through, about the grid, the transmission and distribution infrastructure and its vulnerability to extreme weather events.

The Chair (Mr. Shafiq Qaadri): Thank you, Ms. Thompson. To the NDP, final round: Mr. Tabuns or Mr. Singh.

Mr. Jagmeet Singh: I just want to go back on this issue of the refurbishment of Darlington or just the refurbishment in general as one of the issues, and the buildup around nuclear. What are some of the obstacles that the government faces that can explain or perhaps shed some light on why it seems that it's so difficult to do what would seem to be quite obvious, that this is a huge, colossal investment, and that to make such an investment, at minimum, it should have a strong business case and it should have some really thorough decision-making that should be a part of it? Is there some sort of barrier that prevents that from happening?

Dr. Mark Winfield: I think that's a good question. One needs to keep in mind that, in Ontario, we've never actually had a nuclear project go through a formal economic review. That didn't happen when the original fleet was constructed in the 1960s and 1970s and 1980s; it didn't happen when the Nuclear Asset Optimization Plan was put in place in 1997; and it didn't happen when the most recent round of refurbishments, principally the Bruce contract, went forward as well.

There's a long history, for some reason, of having not gone there, usually because arguments were made at the time that we were facing some sort of supply apocalypse and that, given the time frames around which things around nuclear operate, we don't have time for that conversation. In some cases, we didn't even have the institutional infrastructure to accommodate it pre-1975. That, I think, has been part of it, that we've always avoided that. I find even among my economic colleagues, there's this perception that somehow nuclear is different and the regular rules shouldn't apply. I think that view is changing as the numbers come out of the Bruce refurbishment. We know how far over budget it went and we know that we actually had to write off two of the Pickering refurbishments as well.

I can't say more than that, in that the nuclear industry seems to have been able to persuade the government that it's so fundamental and so different to the system that we can't afford that kind of a review. If the counter argument is that, given that we seem to have some structural breathing room in terms of demand, some of that urgency has been released, it would probably be very advisable to take the opportunity to engage in precisely that kind of a review in front of a real regulator, and I would emphasize an economic and environmental regulator, not the Canadian Nuclear Safety Commission, because it's not concerned with the economic issues. It's concerned with the safety and operational issues. We need to get the question of the refurbishments in front of a real economic regulator and see where that conversation goes.

Mr. Jagmeet Singh: Who would be someone who would satisfy that in economic and environmental?

Mr. Mark Winfield: It's the energy board, with an appropriate mandate. The environmental dimension, they're somewhat weaker on. There are long-standing questions around designation under the Environmental Assessment Act as well, which is another way of getting at these bigger questions. But it seems to be that the obvious forum is the energy board or some form of joint board involving the Environmental Review Tribunal.

Mr. Jagmeet Singh: Why do you stress proper mandate? What's wrong with the mandate now?

Mr. Mark Winfield: Well, as it stands, the energy board has been tending towards a very, very narrow economic interpretation of its mandate. It has tended to exclude consideration of things like avoided environmental externalities in costing things. It has been somewhat unhappy apparently about conservation activities on the part of both the LDCs and the gas utilities lately. Within its core mandate it doesn't have an environmental mandate. That only really comes from the substitute for the environmental assessment of the integrated power system plan that we got in 2006, which told the OPA to consider environmental protection, environmental sustainability and safety in developing the IPSP. We never got to that part in the OEB hearings, so we have no idea what the OEB would do with that. It probably needs a more robust mandate in that regard as well.

But I think there are many people who have studied electricity policy in this province for a very long time who would be very interested simply to see a full-cost life cycle economic assessment of nuclear relative to the available alternatives, including arrangements with our neighbours to the east.

Mr. Jagmeet Singh: You had this next slide over from the slide that's currently being shown: the green existing and contracted resources. If you could just expand briefly maybe just in response to my assertion or my understanding of what you said, which is that the green portion only accounts for a certain level of natural gas and actually natural gas could be increased if need be and essentially within a certain margin, if demand was to increase, that increased demand could be served by increasing the reliance on it or just increasing the output from gas.

1000

Dr. Mark Winfield: In the short term, yes. In the longer term, it's not so advisable, partially because gas does—

Mr. Jagmeet Singh: The unreliability of gas prices—

Dr. Mark Winfield: Well, it creates greenhouse gas emissions, and as we move from conventional sweet gas to unconventional fracked gas, the life-cycle environmental impacts are getting uglier. So gas certainly makes sense as a marginal fuel. Certainly in the short term, if we were to suddenly discover that demand was going way, way up, running the gas plants more in the short term is a perfectly viable way of dealing with that problem. In the longer term, you would need to build more supply technology. My own preference, obviously, would be (1) to maximize conservation opportunities and then (2) go to renewables, with appropriate storage resources to back them up.

Mr. Jagmeet Singh: Okay. Just to turn to renewables, one question—and this is something that you've touched on briefly—is that as time goes forward, particularly with renewables, being that they're relatively newer technology, the cost is going down year by year. However, in terms of the cost of renewable energy, there's a perception that it's quite expensive.

Dr. Mark Winfield: Right.

Mr. Jagmeet Singh: Can you speak to the projected cost for wind-related energy and other renewables, taking into consideration the fact that the cost will go down as technology improves?

Dr. Mark Winfield: For wind, we're already getting pretty close to grid parity. Eight to 10 cents is basically commercial viability. Part of the problem was that the FIT program paid commercial developers too much, relative to what they needed.

We have a paper that's just coming out on energy policy that talks about the economic debate around the FIT program. In effect, part of the problem there was that you ended up with a program that was designed around the needs of community-based developers, and including the rates, but that actually ended up being dominated by

commercial developers who didn't need those kinds of rates to make the system work.

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

Dr. Mark Winfield: So that problem, we're getting at. The rates are down, and the program is now focused on smaller projects and more community-based developers.

Mr. Jagmeet Singh: Quickly on biomass: anything? In Europe, it's quite popular, carbon-neutral—

Dr. Mark Winfield: Yes. I'd have to look up the numbers. Biomass, again, is basically getting into the range of grid parity. The crucial—

Mr. Jagmeet Singh: And why isn't it as relied upon in Ontario?

Dr. Mark Winfield: We just haven't developed the technology that far.

The other crucial point that we made, and that other people have made, in doing the analysis of the cost impact is that—and we looked. We did a very extensive literature review. We looked at all the papers that looked at the cost impacts of the Green Energy Act. The crucial distinction that happens is that those who are very critical tend not to consider the question of the avoided externalities associated with the alternatives, principally natural gas.

If you put some economic value on—

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

Remarks in Punjabi.

I'd like to thank you as well, Professor Winfield, for your testimony and presence here.

Just before we conclude, I'd just like to respectfully remind committee members about the scope of the committee. I appreciate that we have an expert who can speak to us on wind energy, biomass, solar, nuclear etc., but there is a certain particular mandate of the committee, which might occasionally influence your questioning.

Nevertheless, we shall reconvene this afternoon. Thank you.

The committee recessed from 1004 to 1500.

MR. CHRIS WRAY

Le Président (M. Shafiq Qaadri): Chers collègues, j'appelle à l'ordre cette séance du Comité permanent de la justice. Je voudrais accueillir notre prochain présentateur, Chris Wray, senior policy adviser of the office of the Minister of Energy. I would invite him to be affirmed by our highly able Clerk now.

The Clerk of the Committee (Ms. Tamara Pomaski): Do you solemnly affirm 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?

Mr. Chris Wray: Yes.

The Chair (Mr. Shafiq Qaadri): Welcome, Mr. Wray. You have five minutes for an opening address, beginning now.

Mr. Chris Wray: Thank you, Chair, and honourable members. My name is Chris Wray. I'm honoured to serve as a senior policy adviser in the office of Minister Bob Chiarelli. I started working for Minister Chiarelli in his capacity as Minister of Infrastructure in October 2010 and continued with him when his role expanded to include the Ministry of Transportation in the fall of 2011. I served as special assistant, operations, at MOI, and later as a policy adviser at MTO.

The minister was shuffled in February 2013 to the Ministry of Energy, and roughly one month later I also moved to energy to take on the conservation file. I've been proud to be a part of this government's work in the Ministry of Energy over the last 11 months. I'm particularly proud of the work we have done on the conservation file, including the release of Conservation First last summer.

As my chief of staff, Andrew Teliszewsky, testified last week, the relocation of the Oakville and Mississauga gas plants was a file that he dealt with and one in which I had no involvement.

I would also like to outline my role with regard to document disclosure requests from this committee. Specifically, there were two motions passed that required our office to perform a search for documents relating to committee requests. Our office followed the directions provided by the Ministry of Energy, developed in collaboration with Cabinet Office, to search for and disclose all relevant records. In his appearance before this committee last week, Mr. Teliszewsky outlined this process in further detail. As this committee's mandate also pertains to siting recommendations of large energy infrastructure, this does not fall under my purview.

I'm happy to answer any questions you may have to the best of my abilities.

The Chair (Mr. Shafiq Qaadri): Thank you, Mr. Wray. Beginning with the PC side, Ms. MacLeod.

Ms. Lisa MacLeod: Thanks very much, Chair. Thanks very much for coming in, Chris. It's great to have you here today. A couple of quick questions for you.

I'm just wondering how you prepared for today's testimony. A number of your colleagues have been before us, many of whom have said the same types of things, and I'm just wondering how you prepared for that. Did you prepare with your minister, your chief of staff, anyone in the Premier's office?

Mr. Chris Wray: Yes. With our press secretary, Beckie Codd-Downey, and our legislative assistant, Matt Whittington.

Ms. Lisa MacLeod: And what happened? Did they give you backgrounders, talking points, those sorts of things?

Mr. Chris Wray: Yes, they gave me a sense of the types of questions that might be asked and asked me to make a timeline of my history here.

Ms. Lisa MacLeod: Yes. So they worked with you. Did either of those individuals, the press secretary or the legislative assistant, assist with the speaking points or the

talking points of either the minister, the Premier, or the chief of staff who appeared here last week?

Mr. Chris Wray: I'm not sure.

Ms. Lisa MacLeod: Did they ever indicate that they had provided them assistance with the context or the content of the discussions and what those were?

Mr. Chris Wray: I really had no involvement.

Ms. Lisa MacLeod: No? Can you explain to me, then, your involvement in the Ministry of Infrastructure at the time?

Mr. Chris Wray: Yes. I was hired as a very junior staffer. I did some work on expanding the IO loan program and some other, mostly administrative, stuff.

Ms. Lisa MacLeod: Did you ever work with the OPA in that position?

Mr. Chris Wray: No.

Ms. Lisa MacLeod: Did you work at any time with the previous Minister of Energy's office?

Mr. Chris Wray: No.

Ms. Lisa MacLeod: At any time when you were involved at the Ministry of Infrastructure, did you ever deal with Infrastructure Ontario? I think you just said that you had worked a bit with IO.

Mr. Chris Wray: Yes, mostly through the ministry, but I may have been involved in some meetings with the personnel at IO.

Ms. Lisa MacLeod: Can you elaborate on those personnel matters?

Mr. Chris Wray: At the time, my main interaction with IO was around the expansion of the IO loan program to include more eligible applicants. The only person I can really remember speaking to specifically would be Mary Lowe.

Ms. Lisa MacLeod: And do you ever recall working or speaking with David Livingston, either during his time at IO or when he was with the Premier's office?

Mr. Chris Wray: No.

Ms. Lisa MacLeod: No? You never spoke with him at all?

Mr. Chris Wray: No.

Ms. Lisa MacLeod: When you were at the Ministry of Infrastructure, were you ever consulted by the Premier's office, the Ministry of Energy or the OPA before the decision of the gas plant cancellation had been made?

Mr. Chris Wray: No.

Ms. Lisa MacLeod: Did you ever receive any briefing notes or talking points on that?

Mr. Chris Wray: No.

Ms. Lisa MacLeod: Where were you when you found out that the government—or the Liberal Party—had made the decision to cancel the Oakville gas plant?

Mr. Chris Wray: I don't remember when I specifically learned about that, but I imagine I was in Ottawa on a leave of absence.

Ms. Lisa MacLeod: And did you work on a political campaign during that election?

Mr. Chris Wray: Yes.

Ms. Lisa MacLeod: And whose campaign did you work on?

Mr. Chris Wray: MPP Chiarelli's.

Ms. Lisa MacLeod: Is that right? Okay. We didn't vote the same way in that election. You'd be surprised to know that, I'm sure.

So is it fair to say that both you and your chief of staff, Andrew—I can't say his last name—were on secondment to work on Bob Chiarelli's campaign in the last election?

Mr. Chris Wray: I was on a leave of absence.

Ms. Lisa MacLeod: Okay, but you worked on his campaign, right? You just told me you did.

Mr. Chris Wray: Yes.

Ms. Lisa MacLeod: Okay. But Andrew worked on that campaign, I think you told me yesterday. Is that accurate?

Mr. Chris Wray: Yes.

Ms. Lisa MacLeod: Were there any other members of Bob Chiarelli's staff in Toronto who took leaves of absence to work on his campaign in Ottawa West-Nepean?

Mr. Bob Delaney: Chair—

Ms. Lisa MacLeod: It's actually very important, because I'm trying to get to a point on when the announcement was made.

Mr. Bob Delaney: I have no problem with your asking a question. Could you just tell me where you're going with this and just give me the latitude? Because I would prefer not to interrupt you.

Ms. Lisa MacLeod: Yes. The only reason I'm asking is because I remember where I was on the day that this decision was made. I remember the tweet coming from Robert Benzie. I remember all of that. I want to get a picture of all of these young fellows that took the time, a leave of absence, to go to work in my community at the time—and they're all very critical in the Minister of Energy's office now, and they were all working as ministry staff in the Ministry of Infrastructure.

The Chair (Mr. Shafiq Qaadri): All right. Let's just get to the scope, but go ahead.

Ms. Lisa MacLeod: Okay. I would like to get a clear picture of the folks who were at the Ministry of Infrastructure's office who took a leave of absence—legitimate, by the way; it's legitimate to take a leave of absence if you're not getting paid to do whatever you want to do in your own time. The context I'm trying to get at is, who else may have been there, other than you and Andrew. Can you provide me with that?

Mr. Chris Wray: Sure, yes. The only other person was David Black.

Ms. Lisa MacLeod: Okay. And what does David Black do now?

Mr. Chris Wray: I believe he works for the concrete association.

Ms. Lisa MacLeod: Okay. And what did he do in Bob Chiarelli's former office?

Mr. Chris Wray: He was a senior policy adviser at infrastructure.

Ms. Lisa MacLeod: He was a senior policy adviser at infrastructure. So the three of you were there. I found out via a tweet from Robert Benzie that this was happening

over in Oakville in the middle of the campaign. At that point in time, were you or the other two senior staff who were on leave working in Bob Chiarelli's campaign office notified that the Liberal campaign team had made that decision?

Mr. Chris Wray: I wasn't. I can't speak for them.

Ms. Lisa MacLeod: No, but you weren't. And at any time, was your campaign provided any talking points from the central campaign or from the then Minister of Energy's office or the Premier's office on what to say in terms of the cancellation—any of the positive things that people might have talked about in Oakville or any of the negative things people might have talked about in Ottawa?

Mr. Chris Wray: Again, I can only speak for myself, but I wasn't provided anything like that.

Ms. Lisa MacLeod: So the campaign team wasn't provided anything. Your minister would have gone out and perhaps done some media, but there was no information provided to you?

Mr. Chris Wray: Not to me, no.

Ms. Lisa MacLeod: To your knowledge, did the minister find out via Twitter as well, or would he have been notified at a cabinet meeting?

Mr. Chris Wray: I wouldn't want to speculate on that.

Ms. Lisa MacLeod: You wouldn't want to speculate on that. Okay. That's interesting.

If I can now turn our attention away from that period, to the Ministry of Energy. As the senior policy adviser, at some point you would have been briefed on the gas plants. Is that true?

1510

Mr. Chris Wray: No. My chief of staff, as he said in his testimony, handled that file exclusively.

Ms. Lisa MacLeod: Right.

Mr. Chris Wray: My involvement at energy has been limited strictly to my files: conservation and a few others.

Ms. Lisa MacLeod: Okay. Have you ever been acting chief of staff in the office when Andrew is away?

Mr. Chris Wray: No.

Ms. Lisa MacLeod: No? Who is the acting chief of staff when Andrew is away?

Mr. Chris Wray: Mark Olsheski.

Ms. Lisa MacLeod: Mark Olsheski. At any point in time, was Mark Olsheski acting chief of staff between Minister Chiarelli being appointed Minister of Energy and today?

Mr. Chris Wray: Sorry; can you clarify the question?

Ms. Lisa MacLeod: Yes, sure. In case I'm not being clear: At any point since Bob Chiarelli was appointed Minister of Energy, to today, was Mark Olsheski ever in the position of acting chief of staff?

Mr. Chris Wray: Yes, I think, for a day or two.

Ms. Lisa MacLeod: A day or two? Okay. Are you the director of policy now, or the senior policy adviser? How does that structure work?

Mr. Chris Wray: There are three senior policy advisers. I'm one of them.

Ms. Lisa MacLeod: And there are no juniors?

Mr. Chris Wray: There is a policy adviser.

Ms. Lisa MacLeod: Okay, there's a policy adviser who is junior, but we're not going to say that to hurt their feelings today, because they might be watching at home. We'll call them the intermediate. But we don't have a director on top?

Mr. Chris Wray: No.

Ms. Lisa MacLeod: You directly report to whom?

Mr. Chris Wray: To my chief and to the minister.

Ms. Lisa MacLeod: To the chief and to the minister? So there's nobody else there? Okay.

Of course, we all want to apologize to the poor junior policy adviser, because they must not be too young. See, I have to inject a little bit of humour. I don't know. You guys are doing a good job, the young staff who come in to take these questions, so good for you guys to hold your composure.

I want to move on a little bit to the document in front of me, the long-term energy plan. Obviously that came out in December, and in that period of time I'd asked the minister in the House if the costs associated with the cancelled gas plants were included. He said, "No." He later retracted that and said, "Yes, it was." Your chief of staff came here last week and said it was as well, so this is a pretty critical document on how much cost we're going to assume as ratepayers for these cancelled gas plants. There has been speculation that it could be \$2 or \$4 a year per person in Ontario. I think that, regardless of how much it costs, the folks of Ontario are angry.

What I'd like to know, if we can move to the long-term energy plan for a moment, is, what role did you play in the development of this document?

Mr. Bob Delaney: Chair, I do have to interject on a point of order on that.

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

Mr. Bob Delaney: I don't think there's anything ambiguous about the fact that that is well outside the scope of the committee's mandate.

The Chair (Mr. Shafiq Qaadri): Mr. Delaney, your point is well taken. We are all anxiously anticipating a connection of the line of questioning, which we expect is forthcoming—

Ms. Lisa MacLeod: You look like anticipation is just oozing out of you.

The Chair (Mr. Shafiq Qaadri): That's the caffeine, Ms. MacLeod, but go ahead.

Ms. Lisa MacLeod: The question I had was this: What role did you have in the development of the long-term energy plan, in the context of how much these cancelled gas plants will make the ratepayer pay as a result of the 42% increase that is within here? Is that acceptable to you, Chair?

The Chair (Mr. Shafiq Qaadri): I feel—

Ms. Lisa MacLeod: You looked excited and enthusiastic about it.

The Chair (Mr. Shafiq Qaadri): —very connected, yes.

Mr. Chris Wray: My role in the long-term plan was primarily to do with the conservation chapter of it—it starts on about page 20, I believe, through maybe 29—and then on some energy innovation and storage areas closer to the end.

Ms. Lisa MacLeod: With respect to that, though, the numbers that are inside this document—we talk about electricity service forecast; we talk about prices; we talk about amending, for example, the Green Energy Act; wind dispatch; deferral of nuclear; global adjustment review—all of those sorts of things. At some point, somebody had to combine all of those various sections, yours included, into a document that would have included the costs of the cancelled gas plants.

So I guess what I'm asking you is, in terms of what your role was—you may have had a specific role in terms of policy content—can you help me understand the process by which you worked, or the format, and how this information was funnelled into a completing document, and, if you worked with any of the folks who had anything to do with crunching the numbers to get to how much the conservation efforts may save or cost Ontarians, how much the gas plants may have saved or cost Ontarians and how much wind turbines would save or cost Ontarians?

Mr. Bob Delaney: I'm sorry, Chair—

The Chair (Mr. Shafiq Qaadri): Mr. Delaney.

Mr. Bob Delaney: I am sorry to interject again. Although gas plants were mentioned in the preamble to the question, the substance of the question doesn't relate to the mandate of the committee.

I appreciate what the member is trying to do, but I would suggest that the estimates committee, later on in the year, would be a place where she could explore this on a fulsome level without a word of objection from any of us.

The Chair (Mr. Shafiq Qaadri): Same comment, same ruling, same anticipation.

Go ahead, Ms. MacLeod.

Ms. Lisa MacLeod: Thanks very much. Again, I'm just trying to figure out, if I can—with any more interruption from my good friend from Mississauga—if it's possible for you to walk us through the process by which you and others would have brought your information from your specific pages to a central person or a central committee or that central document, so that we could assess what the costs and those true numbers are.

Mr. Chris Wray: Yes. Throughout the summer, there was a series of consultations. We take the advice of stakeholders and those we speak with—the agencies, the OPA, the ISO, the OEB, as well as the ministry—in determining—and again, I can really only speak to my section—basically, what content will go into this document on conservation. Then, that goes into the OPA, and they're the ones, really, who do the price projections and the demand forecasting and that sort of thing.

Ms. Lisa MacLeod: Okay. So the OPA would have effectively taken all of this information and written the document, or did the Ministry of Energy's office?

Mr. Bob Delaney: Mr. Chair?

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

Mr. Bob Delaney: Chair, that's well outside. There's not even anything in the preamble that's remotely linked to the committee's mandate. I would very much like to have the discussion stay within the committee's terms of reference.

I'm sorry to do this; I don't enjoy doing this. I actually enjoy your questions, but—

Ms. Lisa MacLeod: You're hurting my feelings. I'm feeling like the junior policy adviser right now.

The Chair (Mr. Shafiq Qaadri): Thank you, Mr. Delaney. The points are well taken, Ms. MacLeod, so I'd invite you to please bring it to the scope of the committee.

Ms. Lisa MacLeod: Okay. What I'm asking, Chair, is that in the context of the cancelled gas plants in Mississauga and Oakville, someone had to pay for those. I contend it is the ratepayer and the taxpayer, who tend to be one person.

There is a series of numbers in the long-term energy plan that forecast what the cost of electricity service is expected to be, over the next five years and over the period of the next 15 to 20 years.

Given that, what I'm asking—when this document was provided, I'm told that the OPA came up with the numbers. So what I'm just naturally now asking is, who prepared this document, with respect to the costs of the cancelled gas plants as well as whatever else is included in this document? I want to know who put the document together: the OPA or the minister. Are these the minister's numbers for the cancelled gas plants, or are they the OPA's numbers for the cancelled gas plants?

The Chair (Mr. Shafiq Qaadri): How the numbers were put together is relevant, but if the witness is unable to comment on that, then perhaps we might move on. But I'll leave it to you.

Mr. Chris Wray: I'm unable to comment on that.

Ms. Lisa MacLeod: You're not going to comment on that? Well, it was good of you to give them the answer.

Mr. Peter Tabuns: He said he was not able to comment. Is that correct?

Ms. Lisa MacLeod: Who did you give numbers to, and would anybody in the—was it to the OPA, or was it internally to the Minister of Energy?

Mr. Chris Wray: The—

1520

Mr. Bob Delaney: What does the question have to do with the committee's mandate?

The Chair (Mr. Shafiq Qaadri): Anyway, I appreciate your comments—

Mr. Chris Wray: Will you just clarify the question?

Ms. Lisa MacLeod: Okay. Let me just say it the way we need to say it. We already have established why I am asking the question, and I'm allowed to ask the question. I want to know, when you prepared your numbers for your part of the plan—or whoever provided numbers for

their part of the plan—who did they send them to, the OPA or the Ministry of Energy?

In other words, whose document is this? Is it the Ministry of Energy's, or is it the OPA's, and who is responsible for the numbers within this document?

Mr. Chris Wray: The document is a collaboration between the ministry, the minister's office and agencies.

Ms. Lisa MacLeod: Who was the lead who would have taken these numbers, including the numbers for the cancelled gas plants? Who was the person who you would have reported to to give those to? In other words, what I'm wondering is—I know everyone collaborated, but if 12 people worked on a document, it wouldn't look consistent. So the buck stops somewhere administratively.

The minister is the person who puts his name on this document, but there's got to be somebody behind him who made that document happen. As much as I think that Bob Chiarelli is a swell guy, I know that he didn't do the backgrounder on all of this. I know how it works. He didn't do the nice, fun little cloud here in the middle of it. I'm just wondering who did that, the OPA or the Ministry of Energy?

Mr. Bob Delaney: Chair, I'm so sorry.

The Chair (Mr. Shafiq Qaadri): Mr. Delaney.

Mr. Bob Delaney: The question relates to process around the assembling of the content of a document that is not before the committee. I appreciate where the member would like to go—I have no trouble where the member is trying to go—but the forum is probably the estimates committee, and not this committee, because the question and the issue are outside the scope of the committee's mandate.

The Chair (Mr. Shafiq Qaadri): We'll take that under consideration.

Ms. MacLeod, you have one minute left. Continue, please.

Ms. Lisa MacLeod: Okay. I'll ask him to answer the question, and I'm just wondering if I could have unanimous consent to split my time with the Liberals for their time. It was a joke, Chair.

Go ahead. Who's responsible for this document? Who looked at the numbers for the gas plants?

Mr. Chris Wray: Again, the document is a collaboration between the ministry, the minister's office and all of the agencies. The numbers, again, are a collaboration, but really the OPA is responsible and has that level of expertise to compile it all and do those projections.

Ms. Lisa MacLeod: All right. I have no further questions. I look forward to using half of his time.

The Chair (Mr. Shafiq Qaadri): Thank you, Ms. MacLeod. Mr. Tabuns, the floor is yours.

Mr. Peter Tabuns: Thank you, Mr. Chair. Mr. Wray, thank you for being here this afternoon. A small number of questions. Do you retain electronic and hard-copy records in your position, in accordance with the Archives and Recordkeeping Act?

Mr. Chris Wray: Yes.

Mr. Peter Tabuns: Is there anyone who oversees what you do, to ensure that you do comply with the act?

Mr. Chris Wray: We had a training session in the summer, if I'm not mistaken. The Ministry of Government Services gave us training on ensuring that we're doing proper document retention.

Mr. Peter Tabuns: Prior to that training, when you were a political staffer at the Ministry of Infrastructure and the Ministry of Transportation, did you follow the Archives and Recordkeeping Act as you now follow it?

Mr. Chris Wray: I wasn't really as aware of it, but I never made a habit of deleting emails, personally.

Mr. Peter Tabuns: So you retained your records?

Mr. Chris Wray: For the most part.

Mr. Peter Tabuns: When you say "for the most part," could you be clearer on that? As you're well aware, you can delete minor items; if you said to someone, "Are you going out to the game tonight?" deleting that is of no consequence. Did you maintain emails of substance?

Mr. Chris Wray: Yes. At the time, again, I wasn't as familiar with the rules, but I would have kept the emails until, basically, I ran out of room, and then would have deleted what I thought to be non-essential emails.

Mr. Peter Tabuns: When you left those positions, did you turn over your records to the Archivist of Ontario, or make them aware that you had a body of records?

Mr. Chris Wray: No.

Mr. Peter Tabuns: Who in the minister's office, when you were at the Ministry of Infrastructure and Ministry of Transportation, would have been responsible for overseeing that you were in compliance with the law?

Mr. Chris Wray: I guess it would have been the chief of staff.

Mr. Peter Tabuns: And who was the chief of staff?

Mr. Chris Wray: Andrew Teliszewsky.

Mr. Peter Tabuns: Mr. Singh, do you have any questions?

Mr. Jagmeet Singh: Sure, I'll ask a couple of questions.

The Chair (Mr. Shafiq Qaadri): Mr. Singh.

Mr. Jagmeet Singh: Good afternoon. How are you today?

Mr. Chris Wray: Good. How are you?

Mr. Jagmeet Singh: Good. I'm just trying to understand: In terms of when any of the decisions were made around the cancellation of the gas plants, did you have any relevant roles? Is there any way you can elaborate on that, if you can? If you can't, you can say you didn't have any part of any decision-making whatsoever.

Mr. Chris Wray: I had no involvement.

Mr. Jagmeet Singh: And I'm assuming, looking at your resumé, that that's what you would have said. Did you have any participation in any decisions regarding the negotiation of the cancellations once they were cancelled and the subsequent discussions that went on between the government and the parties involved?

Mr. Chris Wray: No, none.

Mr. Jagmeet Singh: And were you involved in any of the ministries that were in any way making any decisions

related to before the plants were cancelled, during the cancellation or after the cancellation?

Mr. Chris Wray: As I said in my statement, I worked for the Ministry of Infrastructure in 2010-11, but again I had no involvement in anything to do with these discussions.

Mr. Jagmeet Singh: That's what I anticipated you would answer as well. Just one brief indulgence, Mr. Chair. If you may allow me a brief indulgence?

Mr. Peter Tabuns: If I could—

The Chair (Mr. Shafiq Qaadri): Mr. Tabuns, please go ahead.

Mr. Peter Tabuns: You're good at dispensing them, Mr. Chair. You're very good at dispensing them.

Mr. Wray, when you left your positions, then, you didn't make any arrangements for the preservation of your electronic records. Do you know what happened to them?

Mr. Chris Wray: I don't.

Mr. Peter Tabuns: So when you left that position, you were no longer operating the computer that you used in those staff positions, and that computer would pass back into the hands of the minister's staff or the Ministry of Government Services. You may not know what happened, but you simply left it. You didn't clear the hard drive. You just simply left it. Is that correct?

Mr. Chris Wray: Yes.

Mr. Jagmeet Singh: Just a question to follow on that: Were you given any sort of direction in terms of the proper way—say if you were leaving a particular ministry, was there a proper way to close down your files or your computer? Was there a particular protocol with that?

Mr. Chris Wray: I don't remember.

Mr. Jagmeet Singh: It's somewhat important, though. When you would wrap up your service, were there any sort of directions given to you, generally speaking? Maybe not specifics that you can't remember, years ago, but generally speaking, how would you wrap up from one ministry to another?

Mr. Chris Wray: I don't remember any specific direction on what to do.

Mr. Jagmeet Singh: Not specific direction; what about general direction? When you ended your service with a particular minister, would you say, "Okay, take care. I'm done for the day"? How would that happen? You don't have to remember the specifics, but generally speaking, what would happen?

Mr. Chris Wray: I don't know.

Mr. Jagmeet Singh: Interesting.

How many rotations do we have, Mr. Chair?

The Chair (Mr. Shafiq Qaadri): As a committee, you have the opportunity to speak now, and then again in a few minutes.

Mr. Jagmeet Singh: Sure—

Interjection.

Mr. Jagmeet Singh: Could I reserve my time for the next rotation?

The Chair (Mr. Shafiq Qaadri): No, Mr. Singh.

Mr. Jagmeet Singh: Okay, then I'm done for this rotation.

The Chair (Mr. Shafiq Qaadri): Thank you, Mr. Singh. We now move to the Liberal side: Mr. Delaney.

Mr. Bob Delaney: Thank you very much, Chair. Thank you very much, Ms. MacLeod. Good afternoon, Chris. First of all, I want to note that you're a bit of an historic witness: You're witness number 80. Thank you very much for taking the time to be here today. I don't have too many questions. We can probably go through them fairly quickly. Just to start by setting out the timeline, again, of your employment within the minister's office at the Ministry of Energy: When did you start working there?

Mr. Chris Wray: In March 2013.

Mr. Bob Delaney: March 2013. So you would have come over after the newly formed government.

Mr. Chris Wray: Yes. About a month after the minister was shuffled, I joined him at energy.

Mr. Bob Delaney: So this means, then, that the original estimates motion requesting correspondence related to the gas plants would not have captured you or any of your documents because the motion asked for correspondence up to December 2011. Correct?

Mr. Chris Wray: That sounds right.

Mr. Bob Delaney: Who was responsible for the transition when you made the move from the Ministry of Infrastructure to the Ministry of Energy?

Mr. Chris Wray: What do you mean?

Mr. Bob Delaney: Well, when you left the Ministry of Infrastructure and moved over to the Ministry of Energy, which person to whom you might have reported was responsible for that transition?

1530

Mr. Chris Wray: You're asking who I reported to when I went to energy or when I left infrastructure and transportation?

Mr. Bob Delaney: Well, let's cover them both.

Mr. Chris Wray: For the month-ish period where I was still at MTO/MOI, I reported to David Black, who took on the role of chief of staff to Minister Murray. When I moved to energy, Andrew Teliszewsky was the chief there.

Mr. Bob Delaney: Okay. Back in August 2013, this committee passed a motion requesting documents from the Ministry of Energy from January 1, 2012, through August 2013. That would be the first committee motion that may have applied to you. Correct?

Mr. Chris Wray: Sounds right.

Mr. Bob Delaney: Okay. Just to repeat some testimony I thought I heard from you, can you confirm, then, that you had—for want of a better term—no seat at the table when it came to any of the decisions relating to the relocation of the two gas plants, nor would you have been a party to, or really had any reason to know about, the negotiations with either TransCanada Energy or Eastern Power when you came to join the Ministry of Energy?

Mr. Chris Wray: That's true, yes.

Mr. Bob Delaney: Okay. Talking about cost estimates that may have been provided to this committee, brought forward or issued by the Ontario Power Authority, were you aware of any discussion to either limit or minimize how costs would be communicated to the public from within the ministry?

Mr. Chris Wray: No.

Mr. Bob Delaney: All right. Would it be an oversimplification to say that you had no experience on this file?

Mr. Chris Wray: No.

Mr. Bob Delaney: Okay. You mentioned that your chief of staff, Andrew Teliszewsky, was the point person in the minister's office on the relocation of the gas plants. Is that also correct?

Mr. Chris Wray: Yes.

Mr. Bob Delaney: Okay. A couple of questions now about record-keeping, and perhaps I can even assist my colleague Mr. Singh in some questions he seemed to be trying to ask: Were you ever directed by any of your former chiefs of staff to delete emails?

Mr. Chris Wray: No.

Mr. Bob Delaney: All right. Former Premier McGuinty testified that there had been a lack of adequate training for staff in this area. In June, he told us, in response to the Information and Privacy Commissioner's report—I'll just take a moment and read one of his quotes—"I agree with the commissioner that despite some efforts, we did not devote adequate resources and attention to ensuring all government staff in all ministries and in the Premier's office were fully informed of their responsibilities. This inadequate training made it difficult for staff government-wide to both understand their responsibilities regarding the preservation of public records and to exercise sound judgment in determining which records must be kept as public records and which can be eliminated."

Would you agree, then, with the former Premier that, at the time, there was a lack of formal training with regard to how to properly manage records?

Mr. Chris Wray: Yes.

Mr. Bob Delaney: That said, to the limit of your ability, did you follow the guidelines in the Archives and Recordkeeping Act?

Mr. Chris Wray: Yes.

Mr. Bob Delaney: When you left your last position, did you turn over your computer with its information intact?

Mr. Chris Wray: Yes.

Mr. Bob Delaney: Okay. It would have been apparent, then, to most staff that you were not required to keep every single record, right?

Mr. Chris Wray: Yes.

Mr. Bob Delaney: In other words, records that would be transitory—here is the umpteenth draft of something—were those that could be deleted. Records that said, "Would you like to attend the going-away party of so-and-so in the ministry?", that type of thing, could safely be deleted.

Mr. Chris Wray: Yes.

Mr. Bob Delaney: Okay. I understand that mandatory staff training took place this spring on records retention. Did you take in that training?

Mr. Chris Wray: Yes.

Mr. Bob Delaney: Did you find it to be useful?

Mr. Chris Wray: Very useful.

Mr. Bob Delaney: Ms. MacLeod, do you have an interjection on something you'd like me to ask here?

Ms. Lisa MacLeod: I'm enjoying your questioning.

Mr. Bob Delaney: All right.

Ms. Lisa M. Thompson: We won't interrupt.

Ms. Lisa MacLeod: It reminds me of good, old-fashioned—

Mr. Bob Delaney: I don't have any questions on the long-term energy act, Chair, so I think I'm going to pause here on this round. Thank you—unless my colleague has something that she'd like me to pass along.

Ms. Lisa MacLeod: You could give me his time—

The Chair (Mr. Shafiq Qaadri): Thank you, Mr. Delaney. He does not have the capacity to do so, but, please, Ms. MacLeod, your time begins now.

Ms. Lisa MacLeod: Thank you. Actually my colleague Lisa Thompson—

The Chair (Mr. Shafiq Qaadri): Oh, sorry. Ms. Thompson.

Ms. Lisa M. Thompson: It's okay. Thank you very much, Chair.

You've identified how the document, the long-term energy plan, was pulled together, and I'm curious about a couple of things. First of all, we know that the decision to cancel the gas plants is around a billion dollars. That's pretty significant. And this decision, this significant decision, was politically motivated. So something of that size is curiously omitted from the long-term energy plan. Why, in your opinion, has that type of initiative, the relocation, the focus on gas, been omitted from the long-term energy plan?

Mr. Bob Delaney: Chair, here again, on a point of order.

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

Mr. Bob Delaney: I have to ask a procedural question of the Chair. Is it in order to ask a question about a document that's out of order, wondering why something is not in it?

The Chair (Mr. Shafiq Qaadri): Thank you, Mr. Delaney. The mental gymnastics involved there are too convoluted. The floor is yours, Ms. Thompson, and the question is relevant.

You're obviously free to answer as you see fit.

Mr. Chris Wray: I couldn't speculate on that. Again, it's not my file.

Ms. Lisa M. Thompson: Okay. Interesting. Well, changing gears here a little bit, then, can you tell us what you know about the current OPP investigation into the Premier's office that seeks to give us some answers—since a lot of people don't—into the missing emails and documentation around it?

Mr. Chris Wray: Very little.

Ms. Lisa M. Thompson: Very little. So what do you know?

Mr. Chris Wray: I've heard about it in passing, predominantly in the media.

Ms. Lisa M. Thompson: Okay. And what stuck with you? What have you heard about the OPP investigation?

Mr. Chris Wray: I'm aware that there is an investigation—

The Chair (Mr. Shafiq Qaadri): Ms. Thompson, I'll have to redirect that question. It's not relevant. Please proceed to the next question.

Ms. Lisa M. Thompson: Okay. I think I'm pretty much done here. That's fine.

The Chair (Mr. Shafiq Qaadri): Thank you, Ms. Thompson. Ms. MacLeod, the floor is yours.

Ms. Lisa MacLeod: The only problem is that once I start, then Bob does too.

Mr. Bob Delaney: But we're such a good tag team.

The Chair (Mr. Shafiq Qaadri): Thank you, Ms. MacLeod. To the NDP side: Mr. Singh.

Mr. Jagmeet Singh: Returning to my earlier line of questioning, I asked you about when you finished—I'll give you a concrete example. What ministry were you working in before you worked at your current post with the Ministry of Energy?

Mr. Chris Wray: I was working at the Ministry of Transportation.

Mr. Jagmeet Singh: Okay. Roughly when did you finish there?

Mr. Chris Wray: Mid to late March 2013.

Mr. Jagmeet Singh: So not that long ago.

Mr. Chris Wray: No.

Mr. Jagmeet Singh: When you finished there, do you remember anything about your last day?

Mr. Chris Wray: Can you clarify?

Mr. Jagmeet Singh: Do you remember anything about the last day? It's broad. Do you remember anything about the last day when you were there?

Mr. Chris Wray: Yes, I have some memory—

Mr. Jagmeet Singh: Sure. What do you remember?

Mr. Chris Wray: Packing up my office and—

Mr. Jagmeet Singh: Okay. Do you remember anyone speaking to you that day?

Mr. Chris Wray: I would have probably spoken to most of my former colleagues.

Mr. Jagmeet Singh: Sure. Would you have prepared any memos for them?

Mr. Chris Wray: On that day, no.

Mr. Jagmeet Singh: Okay. Previously?

Mr. Chris Wray: Yes. The role of staying back is to help transition new staff and the new minister, so yes.

Mr. Jagmeet Singh: Were you given any direction in terms of helping to transition? Were you told, "Listen, to transition, before you move on to your next role, you should get people up to speed on X, Y and Z things"?

Mr. Chris Wray: Yes. So new staff are coming in. They're taking on files that I had done, and I'm helping them, giving them background and advice.

Mr. Jagmeet Singh: Okay. Then, with respect to your emails and the information that you, over the time that you've been at that particular ministry—what would you have done with those, your records, your emails, the correspondences that you had back and forth? What did you do with those?

Mr. Chris Wray: To the best of my knowledge, I didn't do anything with them.

Mr. Jagmeet Singh: You left them as they were on the computer?

Mr. Chris Wray: Yes.

Mr. Jagmeet Singh: Okay. And you weren't told one way or the other if that was the right thing to do or if there was more to do? You just left them on the computer and left it at that?

Mr. Chris Wray: Yes.

Mr. Jagmeet Singh: Okay. No further questions.

The Chair (Mr. Shafiq Qaadri): Thank you, Mr. Singh, and thanks to you—no, we have one more rotation: Mr. Delaney?

Mr. Bob Delaney: Let me make your day, then, Chair. We have no further questions other than to say thank you very much to our witness.

The Chair (Mr. Shafiq Qaadri): Thank you, Mr. Delaney and Monsieur Wray. Je voudrais vous remercier pour votre présentation et présence. You are officially dismissed.

SUBCOMMITTEE REPORT

The Chair (Mr. Shafiq Qaadri): We now have a subcommittee report to be read into the record. Signora Albanese.

Mrs. Laura Albanese: Grazie, Mr. Chair.

Your subcommittee on committee business met on Tuesday, February 18, 2014, to consider the method of proceeding on the orders of the House dated February 20, 2013, and March 5, 2013, and recommends the following:

Summary of testimony

(1) That the research officer and the table research clerk provide a summary of testimony of witnesses on the 10th of each month (or the closest meeting date thereafter) for the prior month of testimony received;

(2) That the summary of testimony be broken down by witnesses, as follows:

(a) summary of testimony respecting the tendering, planning, commissioning, cancellation and relocation of the Mississauga and/or Oakville gas plants; and

(b) a summary of testimony respecting the Speaker's finding of a *prima facie* case of privilege.

I move that the subcommittee report be adopted.

The Chair (Mr. Shafiq Qaadri): Comments on this report before adoption? Seeing none, all those in favour? Those opposed? The subcommittee report is adopted as read.

Committee is now adjourned. Thank you, colleagues.

The committee adjourned at 1541.

CONTENTS

Tuesday 25 February 2014

Members' privileges	JP-1247
Dr. Mark Winfield.....	JP-1247
Mr. Chris Wray	JP-1260
Subcommittee report	JP-1267

STANDING COMMITTEE ON JUSTICE POLICY

Chair / Président

Mr. Shafiq Qaadri (Etobicoke North / Etobicoke-Nord L)

Vice-Chair / Vice-Président

Mr. Phil McNeely (Ottawa–Orléans L)

Ms. Teresa Armstrong (London–Fanshawe ND)

Mr. Bob Delaney (Mississauga–Streetsville L)

 Mr. Steven Del Duca (Vaughan L)

 Mr. Frank Klees (Newmarket–Aurora PC)

Mr. Jack MacLaren (Carleton–Mississippi Mills PC)

 Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Rob E. Milligan (Northumberland–Quinte West PC)

Mr. Shafiq Qaadri (Etobicoke North / Etobicoke-Nord L)

 Mr. Jonah Schein (Davenport ND)

Substitutions / Membres remplaçants

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

 Ms. Lisa MacLeod (Nepean–Carleton PC)

 Mr. Jagmeet Singh (Bramalea–Gore–Malton ND)

 Mr. Peter Tabuns (Toronto–Danforth ND)

 Ms. Lisa Thompson (Huron–Bruce PC)

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

Clerk / Greffière

Ms. Tamara Pomanski

Staff / Personnel

Mr. Ian Morris, research officer,

 Research Services

Mr. Jeff Parker, research officer,

 Research Services