



ISSN 1181-6465

**Legislative Assembly
of Ontario**

First Session, 41st Parliament

**Assemblée législative
de l'Ontario**

Première session, 41^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 21 October 2015

**Journal
des débats
(Hansard)**

Mercredi 21 octobre 2015

**Standing Committee on
Estimates**

Ministry of Energy

**Comité permanent des
budgets des dépenses**

Ministère de l'Énergie

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 416-325-3708.

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 416-325-3708.

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



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

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 21 October 2015

Mercredi 21 octobre 2015

The committee met at 1553 in committee room 1.

COMMITTEE BUSINESS

The Chair (Ms. Cheri DiNovo): Welcome back. Good afternoon. Before we resume consideration of the estimates of the Ministry of Energy, there was a motion brought forward by Mr. Smith yesterday, concerning our committee holding its meetings in room 151, that I said we would revisit today.

I would first like to point out that there are no scheduling conflicts on Tuesday mornings and Wednesday afternoons in room 151. That was a question asked.

To the point raised yesterday concerning proper consultation of the Standing Committee on Social Policy: I've received word from the Chair of that committee, Mr. Tabuns, indicating that he has consulted with all members of their subcommittee and there are no objections to the swapping of rooms.

Those concerns having been addressed, I would ask whether the official opposition would like to move their motion again. Mr. Smith.

Mr. Todd Smith: I would be happy to move the motion again.

The Chair (Ms. Cheri DiNovo): Okay, so then we have a vote.

Shall the motion carry? If all say yes—

Interjections.

The Chair (Ms. Cheri DiNovo): Okay, so we're all in favour. Fine. It's carried. That means we will meet next Tuesday morning in room 151.

Yes, Mr. Delaney?

Mr. Bob Delaney: I'd just like to say I want to thank the Chair for the due diligence on answering the questions raised by the government. The government had no objections at the time, other than not to presume the will of the other committees, and we are happy to accede in this request to move to 151.

The Chair (Ms. Cheri DiNovo): Thank you, Mr. Delaney. The Chair likes it when you say nice things about her. Thank you.

MINISTRY OF ENERGY

The Chair (Ms. Cheri DiNovo): We are here to resume, then, the consideration of the estimates of the Ministry of Energy. There is a total of three hours and 21 minutes remaining.

Minister, do you or your ministry staff have any responses to outstanding questions from the committee that you would like to table with the Clerk?

Hon. Bob Chiarelli: No.

The Chair (Ms. Cheri DiNovo): When the committee adjourned yesterday, the government was about to begin its turn in the question rotation. Please proceed, Mr. Delaney.

Mr. Bob Delaney: Any member who visits a school—and particularly in my own case where I'll visit with my grade 5s and follow up five years later with the grade 10s in high school—will know that among the things that kids are most enthusiastic about are means of conserving energy, to the point where I can remember going into a public school and they were mounting a big battery drive to collect used batteries to be recycled. Now, of course, we're able to recycle used batteries and, in part, they can be recycled into new batteries.

As we've seen the initiative come from youth themselves, it's important that children learn conservation—what it means and how it's going to benefit their families, their community and ultimately their nation. Kids have some very strong ideas on the intelligent use of the resources that their country and indeed their world offer. They often have some very interesting suggestions to make.

The essence of what some of the kids have told me over the last five years I've brought in and discussed, both before and during the time I've had the privilege of being part of the Ministry of Energy. This is an issue that makes a big difference to me and, to that end, of course, I do want to put on the record my thanks to a lot of the kids in the elementary and secondary schools in Lisgar, Meadowvale and Streetsville in the city of Mississauga and to commend them on the initiative that they show. To visit the science fairs you see that some of the most innovative projects are ones that deal with conservation, how to close the loop, if you wish, on our consumption of products, our consumption of energy and how to use and reuse those things that we do have.

It isn't something that kids are unaware of, but they're often looking to us in government to say, "What do you do to keep us from spinning our wheels and reinventing some of the things that people have thought of in other areas of the province and how do you focus our efforts and our initiatives on things that are worthwhile and things that can help Ontario do better with the resources it does put into play?"

I thought we would spend a little bit of time here in estimates, while this is on the record, talking about what Ontario is doing to educate the province's youth on the importance of energy conservation, and I know the minister probably has some interesting points to enlighten us with.

Hon. Bob Chiarelli: Thank you very much for the question. I have spent a considerable period of time in schools, probably more as mayor and regional chair than as Minister of Energy, but I'm doing some of it as Minister of Energy as well.

Grade 5 classes across Ontario do a unit on federal, provincial and municipal government, and they're exposed to a lot of issues around conservation, the environment and so on and so forth. Quite surprisingly, they are very, very well versed, and if you talk to the teachers in those classes, they will tell you that often the kids know more than their parents, and they bring information home for their parents on recycling and environmental issues. So it generates a good synergy between the student and their parents as well.

Energy conservation education and awareness provides consumers with information to better understand the benefits of energy conservation and to empower them to make informed decisions about their energy use choices and consumption behaviour. To inspire further action and behavioural changes, Ontario is building consumer awareness of the benefits of conservation and understanding of the electricity system as a whole, including expanding energy awareness in schools.

1600

The government is working with the non-profit group called Ontario EcoSchools to bring more information about energy conservation into classrooms. Last year, 2013-14, the Ministry of Energy provided the EcoSchools organization with approximately \$100,000 in funding to implement a new energy conservation education teacher professional development program. In 2014-15, the ministry is funding EcoSchools for approximately \$200,000 to expand their energy conservation education teacher professional development program.

The Ministry of Energy is providing multi-year funding—2015-16 to 2017-18—to Ontario EcoSchools, which helps support the engagement of more EcoSchools, sustain and retain participation of already committed EcoSchools and create stronger EcoSchools by increasing participation in the highest certification levels.

I just want to repeat that this is a non-profit group. It is managed by about four or five young people in their mid-twenties. They are reaching out through this program, touching a million students across the province. They do it by approaching school boards and if a school board buys into it, then the school board will put out to all the schools in the school board system whether they want this to occur. It's extracurricular. It's been a spectacular success.

The multi-year funding will enable EcoSchools to engage over 2,450 schools and 62 school boards in

Ontario, reaching approximately 4,500 teacher-leaders and one million students in grades K through 12. Approximately 1,000 of the 4,500 teachers reached will be new teachers, representing all grades. New teachers are in the most need of energy conservation education as they have not yet implemented the EcoSchools program in their schools. The in-class lessons will reach the spectrum of grades K to 12.

Ministry of Energy staff have participated in a working group with Algonquin College and subject matter experts to develop an energy management program and curriculum, with oversight and guidance provided by the Ministry of Training, Colleges and Universities. Once consumers better understand the benefits of energy conservation, they will be empowered to make more informed decisions about their energy usage.

As I said, I've attended a number of those schools as Minister of Energy. It's really exciting to go in and see these young people grasp and take on the conservation issues, the environmental issues. They're excited to show you what they're doing. They bring you through the school and show you the wonderful things they're doing—also, the products they bring home to their parents to try to educate their parents.

I coined a name for these students. I call them *ecokids*, and that's what they are. They're just very, very well-informed. The other thing that's really impressive is that it was initiated by and driven by these 24-, 25-year-old—they're all women, incidentally, who are engaged with the organization.

With that, I am going to ask Deputy Minister Imbrogno and ADM Kaili Sermat-Harding to expand on that a bit.

Mr. Serge Imbrogno: Thank you, Minister. Kaili and her group have been working closely with EcoSchools for the last number of years. It's also supported by the Ministry of Education as well, so it's jointly funded. I know recently, we provided more funding for EcoSchools to expand the program. I think Kaili can give you a bit more detail on what the program is about, what it has achieved so far and what we expect it to achieve in the future.

Ms. Kaili Sermat-Harding: Thank you, Minister and Deputy. My name is Kaili Sermat-Harding. I'm the assistant deputy minister of the ministry's conservation and renewable energy division.

Thank you very much for the question. It's certainly a program that we're very excited about. We have been working quite closely with EcoSchools over the last couple of years now to help support the program and see its continued involvement and, in fact, expansion across schools in Ontario.

It's probably worth noting that during our outreach and consultations on the 2013 long-term energy plan, the theme around the importance of educating youth about energy conservation and using energy wisely, and the role that students can play in championing that both in their school environments and at home, was frequently raised in the communities that we visited and by the groups and

individuals that we spoke with. Through the ministry support of Ontario EcoSchools, we are pleased to be championing conservation education in the province, with a focus on youth.

Ontario EcoSchools is an environmental education and certification program, for grades kindergarten through to 12, that helps school communities develop ecological literacy and environmental and conservation practices in order to become environmentally responsible citizens and to reduce the ecological footprint of schools.

EcoSchools' vision—"Every school an EcoSchool"—is that all students and staff in Ontario schools will be engaged in environmental education and practices, developing the knowledge, skills, perspectives and actions needed to be environmentally responsible citizens.

The program was developed originally by the Toronto District School Board in 2002. In 2005, seven school boards, York University and the Toronto and Region Conservation Authority adapted the program and expanded it across the province to become Ontario EcoSchools.

It is the largest environmental education program in the province, and school boards are able to access the program free of charge. This helps to ensure equitable participation in the program.

EcoSchools has also partnered with many environmental organizations, including Earth Day Canada, Back to Nature Network and the Toronto and Region Conservation Authority.

The program allows schools and school boards to implement conservation education tailored to their local needs. Its framework also allows schools and school boards to work with many different programs, organizations and teacher-created and -tested resources in order to maximize the impact on students, staff and the energy conservation practices in the school community.

The program has four guiding principles, namely, student-centered learning, innovation, accountability and building capacity.

The cornerstone of the program is its unique certification program that serves as a road map for schools in developing energy literacy and environmental practices. The program builds energy literacy in four key ways:

- promoting student-led awareness campaigns;
- assisting student-led energy inquiry examining the long-term impacts of choices, both financial and ecological;
- providing resources to teachers and year-round support; and
- providing resources to students and parents regarding how they can be more efficient at home and in their vehicles.

The certification process provides a rigorous, province-wide set of criteria to assess achievement of environmentally responsible actions and learning. There are four levels of EcoSchools certification, including bronze, silver, gold and platinum, that schools can achieve. These levels allow schools to work toward collective goals and deepen student engagement. Platinum

certification allows high-achieving schools to deepen their existing program through opportunities that further engage students in environmental learning and practice.

The level of certification is based on the number of points achieved by a school in six different program sections that act as a road map to identify areas where students can take action.

These sections include, first, teamwork and leadership. In this section, schools build strong EcoTeams and develop effective school-wide communications via regular meetings, displays, assemblies and other activities. The EcoTeams build student leadership through planning and implementing actions and campaigns.

Energy conservation: This action-oriented section focuses on daily practices to reduce school energy consumption. This can include conserving heat and air conditioning through simple practices such as closing the blinds; and turning off lights and equipment in classrooms and throughout the school when not in use. This section also encourages schools to monitor daily practices and share results with the whole school.

The third section is waste minimization, and this encourages schools to reduce waste while tracking and reporting on progress to the whole school.

Fourth is school ground greening. This section engages students in creating vibrant, rich environments for learning on school grounds.

Curriculum is fifth, and it integrates environmental learning in and outside of the classroom.

Last is environmental stewardship, fostering whole-school campaigns on specific environmental issues.

EcoTeams can pick and choose what they would like to implement throughout the school year, connecting environmental learning with daily practices.

1610

While the benefits of supporting EcoSchools are many, I'd like to take a moment to highlight five key benefits for the province. These include empowering youth to be environmental citizens, developing ecological literacy, building a whole school community, strengthening capacity in the Ontario school system, and joining a province-wide network.

With respect to ministry funding, the minister outlined the ministry's commitments to date. I'm pleased to provide just a little bit of further information. The funding in 2013-14 helped support teacher professional development as it relates to energy conservation education, in-class learning through implementation of new learning activities from the school's workshop webinar sessions and resource package materials, and schools certifying in the Ontario EcoSchools program, implementing energy conservation practices and action plans to improve energy conservation.

Those highlights, then, for that funding included 1,745 schools that were certified from 53 boards, 671 teachers from 451 schools, and 39 boards were directly supported through workshops and webinars; seven out of 10 EcoSchools were engaged in school ground greening projects in 2013-14; and participation of one new board—namely

Sudbury Catholic—in certification as a result of attending a workshop.

With respect to the 2014-15 funding, which was approximately \$200,000, there are a number of highlights as well to report. In this instance, it was 1,765 schools certified from 52 boards; growth of the platinum program from 19 schools certified in 2013-14 to 49 in 2014-15; over 1,800 teacher and student participants in workshops and webinars with a 38% increase in teacher participation; and the development of three new environmental kits. Some 58% of certified schools participated in energy-focused campaigns such as Earth Hour, sweater day and Lights Off Lunch. Over 1,000 school visits were conducted and over 43,000 EcoTeam members were engaged, and lastly, over 713,000 total students reached.

This year's funding, which the minister noted, will be multi-year funding. We anticipate that it will enable EcoSchools to engage over 2,400 schools and 62 school boards, reaching approximately 4,500 teacher-leaders and one million students in grades kindergarten through 12. Approximately 1,000 of the 4,500 teachers, as the minister noted, will involve new teachers representing all grades.

In conclusion, the ministry looks forward to continuing our relationship with Ontario EcoSchools through this multi-year agreement. Supporting EcoSchools demonstrates the province's ongoing commitment to the importance of educating Ontario's youth about energy conservation and encouraging actions that save energy and help to create more sustainable communities.

The Chair (Ms. Cheri DiNovo): You have two minutes left.

Ms. Kaili Sermat-Harding: I did touch only very briefly on the program key highlights; there were five. Maybe I can just go back and highlight a little bit more on those since I've got a few minutes.

With respect to empowering youth to be environmental citizens, Ontario EcoSchools reaches over 730,000 students every year from kindergarten through grade 12. A student-centered focus develops leadership skills through ecological practices, and the eco-review process helps schools implement environmental action plans.

Developing ecological literacy: This combined with action falls within the sphere of student influence. Teaching resources are linked to the Ontario curriculum and the program kick-starts a systems approach, which is at the heart of ecological literacy.

Regarding building a whole school community, the certification process provides recognition, assessment and a celebration of achievements on an annual basis. There are numerous opportunities for everyone in the school community to work together, and the EcoSchools program creates multi-stakeholder EcoTeams within both the schools and the school board.

With respect to strengthening capacity in the school system itself, the classroom learning and curriculum become aligned with school operations and facilities. Using EcoSchools, school boards create and implement board-wide waste minimization and energy conservation

standards, and Ontario EcoSchools share best practices to inform environmental education at every level of the school system.

Regarding joining the province-wide network, participating schools come from rural and urban areas, northern regions, and include French-language schools. Of note, between the 2012 and 2013—

The Chair (Ms. Cheri DiNovo): I'm afraid you are now out of time. Thank you very much.

We will move to the official opposition: Mr. Wilson.

Mr. Jim Wilson: Minister and Deputy, good afternoon.

Minister, I've handed you a memo which I'm going to read into the record, with everyone's good graces. It might take me a few minutes. They're questions that were prepared by a councillor with the township of Clearview, Kevin Elwood. Kevin is our local expert on the wpd Canada proposal to build eight industrial wind turbines in Clearview township, in close proximity—and in fact on the flight paths—of the Collingwood Regional Airport. As you know, Minister, I've raised this issue several times in the House.

What I think is unique about this particular proposal is that it is within the flight paths which the federal government seems to have chosen not to have any jurisdiction on in terms of—they have jurisdiction, but they have chosen not to apply rules in terms of safety; that is another whole area to explore someday. These wind turbines, the proposed eight, are about 500 feet in height, a little over 500 feet. There is nothing even close to it within 200 miles, anything like this, of this type of height at all. I remind the media here in Toronto that that is just slightly shorter than the TD tower in downtown Toronto.

Kevin asks,

“(1) As I've mentioned in the Legislature on several occasions, wpd Canada wants to build eight industrial wind turbines—500 feet in height—on agricultural land just west of Stayner and adjacent to the Collingwood Regional Airport. I know you”—referring to you, Minister—“are familiar with this project but do you understand the immense opposition to it?” That's the first question.

“(2) Minister, have you or your staff ever taken the time to visit the Collingwood area first-hand to see the impact that this proposed project will have on the community? These turbines are in the flight paths of aircraft that use the Collingwood Regional Airport, which is getting busier each year.

“(3) Is the minister aware that just this week,”—in fact, on Monday—“Collingwood was voted ... three out of 81 smaller communities in Canada in the Financial Post's annual ranking of the top entrepreneurial cities in Canada? By stifling the airport and development around it, do you believe that Collingwood can continue to attract the investment and innovation it's seen if these turbines are erected?”

“(4) Minister, can you please clarify or confirm that the Green Energy Act contains adequate measures that

ensure application approvals are considered first and foremost based on what is best for the public interest?

“(5) I know this next question is technical in nature so” you may “want to get back to me on it”—in fact, I’d like you to get back to me with a thorough answer for each of these. “The Ontario Energy Board hearing held in December 2014 and requested by wpd Fairview Wind Inc., requested that the OEB determine the location of project distribution facilities on public rights of way. Minister, can you please comment on how a determination was arrived at by the OEB to approve this request when the requester was not in possession of a Hydro One impact and connection agreement, was not the legal corporate supplier in possession of the project FIT contract and therefore was not a distributor and supplier upon which the OEB based the decision?”

I thank you for your attention, Mr. Minister. I don’t know if you have any comments now or if you would just like to get back to me in writing.

Hon. Bob Chiarelli: I’ll do a little bit of both. First of all, I want to compliment you and congratulate you on your determination on this issue. I know you’ve raised it in the Legislature on a number of occasions and you are representing your constituents extremely well on this particular issue.

When this issue has come up in the Legislature, I have referred it to the Ministry of the Environment and Climate Change because the process to deal with this issue is in the Ministry of the Environment. The minister has explained, and we will try to incorporate his answer in our subsequent response to you, that the issues and regulations around the airport are federal issues and it’s not within our jurisdiction to comment or make any decisions in that regard with respect to the airport. I think you’ll recall that that’s the way he answered the specific question.

1620

To answer your first question, yes, I do understand the immense opposition to it, and I understand the rationale around the concerns. I’ve visited Collingwood on a number of occasions, usually for Liberal caucus meetings there, as you’re probably aware. It is a very dynamic, well-organized and well-managed community, and so I certainly respect where they’re coming from in that regard.

Your second question: “Have you or your staff ever taken the time to visit the Collingwood area first-hand to see the impact that this proposed project will have on the community? These turbines are in the flight paths of aircraft that use the Collingwood Regional Airport, which is getting busier each year.”

As I mentioned, I have visited Collingwood. I have not visited the airport, but I certainly can understand the question and the rationale around that question. I believe the research has been done by the Minister of the Environment in terms of the area of jurisdiction around that particular point.

Again, Collingwood is a tremendous community. I’m sure anybody who visits there and knows anything about

it will understand that the people in Collingwood can be very proud of it. I can also understand the importance of the airport, because it is a tourist area and there are a lot of people who are tourists by private airplanes or charter flights and so on and so forth. It’s a skiing area as well. So I appreciate what the risk is.

Maybe you can inform me what the status of the application is at this particular point in time. The file hasn’t been prompted with me most recently, and maybe when I finish chatting, you can tell me where they are in the process at this particular point in time. We can also check that out through the deputy minister with the Ministry of the Environment.

“Can you please clarify or confirm that the Green Energy Act contains adequate measures that ensure application approvals are considered first and foremost based on what is best for the public interest?”

As you know, there’s a process under the Green Energy Act, and I will say that this application is under the old process. We’ve taken the large renewable procurements out of the FIT program. We did very, very substantive consultation with stakeholders and municipalities etc., and it now is a competitive process, number one. Number two, it’s very, very difficult to be successful in any procurement for a large renewable procurement now without community engagement on the file and—

Mr. Jim Wilson: I have to give the rest of my time to Ms. Thompson, and I’m happy to do that.

On the federal issue: Just so you know, the Minister of the Environment and I are discussing this issue. In terms of the feds, Ontario is unique because the Green Energy Act took away the planning powers of local municipalities, so Transport Canada doesn’t intend to bring in a special regulation for Ontario to deal with somebody building 500-foot structures near an airport—because we’re such an anomaly. They leave that, in every other jurisdiction but Ontario, up to the municipal councils. No municipal council is going to put a 500-foot turbine on the flight paths and within the two-kilometre radius where pilots expect that if there’s fog or rain or they can’t see out the window, there will be nothing in their way within that two-kilometre radius as they approach an airport. That’s standard across North America. I just want you to know that the feds say, “We never thought any government would be crazy enough to allow this to happen.” They didn’t anticipate it, and they don’t want to change the reg just for Ontario. That’s the answer I get from Transport Canada, and that’s what I get from the deputy minister.

If you don’t mind, I’ll just give you a chance to do that in writing and give the floor to Ms. Thompson.

Hon. Bob Chiarelli: Maybe with a new Liberal government in Ottawa, we’ll be able to solve the problem.

Again, I appreciate your interest in the file and the representation for your constituents on that issue. We will look at it. We’ll also look at the legal issue more carefully as between jurisdiction and who can do what, and we’ll report back to the committee on that issue.

Mr. Jim Wilson: Thank you very much.

The Chair (Ms. Cheri DiNovo): Ms. Thompson.

Ms. Lisa M. Thompson: Thanks very much, Chair. I'm pleased to be here today. As you know, yesterday I drew attention in the House to a situation in my riding, particularly in the municipality of Bluewater where a part of an industrial wind turbine had been found on a neighbouring property. It was confirmed today in the London Free Press that NextEra Energy acknowledged that it did indeed shut down some of its turbines and warned landowners, after it was discovered a part of the spinning blade could fly off.

It's interesting NextEra then went on to say, Minister, that the potential problem was with a small thin piece of plastic. But I can confirm to you today, after looking at pictures, while it might be a quarter-inch thick, it ranges in width from 10 to 15 centimetres and as long as four feet. That's a significant piece of debris that has fallen off.

I just would like to ask you: What safety standards does the Ministry of Energy have in place for industrial wind turbines?

Hon. Bob Chiarelli: Thank you for the question. I recall the question being asked and I recall the answer that, again, it's the Ministry of the Environment that has the responsibility for it. But we will take it under advisement. I'm actually going to ask the deputy and the ADM to respond to it as well.

Mr. Serge Imbrogno: Yes, we can give you a bit more detail on our understanding of the issue and what's in place now. But as the minister said, it is an MOECC lead on setting the requirements, but we can give you a bit more information from our understanding.

Ms. Kaili Sermat-Harding: I guess what we can tell you is that all large wind energy projects are subject to the Ministry of the Environment and Climate Change renewable energy approval regulation, which requires them to maintain and operate the facility in accordance with good engineering practices and as recommended by equipment suppliers. Large turbines must also be located at a minimum distance from public roads and neighbouring properties and railways to ensure safety.

Project operators are also required to ensure that they meet all applicable requirements outlined in the approval that they get under the renewable energy approval process. If there are concerns, if the public has concerns, incidents to report, have any complaints that they would like to see addressed, they are really encouraged to contact the local office of the Ministry of the Environment and Climate Change and raise those issues at that field regional level. The Ministry of the Environment and Climate Change is committed to providing timely responses in looking into those issues when they're raised.

Ms. Lisa M. Thompson: Who oversees the safety standards, protocols and audits of nuclear generating stations?

Mr. Serge Imbrogno: The CNSC would have oversight on safety at nuclear stations in Ontario and across Canada.

Ms. Lisa M. Thompson: Fair enough. Very good. What about hydroelectric generation stations? Who oversees the safety standards, protocols and regular audits?

Mr. Serge Imbrogno: So OPG runs our large hydro projects. They would comply with standards that have been set. I think there are standards—good engineering and good operating practices—that they would have to comply with. They would be required by the OEB to maintain the sites. So I think there are standards that are generally applied.

Ms. Lisa M. Thompson: Who oversees safety standards, protocols and regular audits of natural gas plants.

Mr. Serge Imbrogno: Again, they have contracts in Ontario with the IESO. They would have to comply with those contracts. Part of those contracts would set out how they're run, how they're maintained, and again, it's general engineering principles that they would have to comply with.

Ms. Lisa M. Thompson: And, again, just to revisit industrial wind turbines, who oversees the safety standards, protocols and regular audits of industrial wind turbines?

Mr. Serge Imbrogno: I think that would be set out in the approvals that they receive from MOECC who would set out those safety standards and auditing requirements.

1630

Ms. Lisa M. Thompson: One would think, given the play that industrial wind has in the overall energy mix, that it might fall under IESO as well. I think there's room for improvement here, and I certainly look forward to working with the government in identifying how we can ensure this public safety, because this particular turbine—

The Chair (Ms. Cheri DiNovo): I would just remind the official opposition: five minutes left.

Ms. Lisa M. Thompson: Okay, thank you. This particular turbine was 70 metres off a public roadway. Young schoolchildren walk back and forth on that road, to and from school.

I think there's room to do better, and I hope we can work together in identifying how we can improve the safety standards. I think that up until now, a direct impact was not deemed a potential threat, but I can tell you the PC Party of Ontario has worried about this for a number of years. Reality has hit the proverbial road, so to speak.

In terms of industrial wind turbines as well, and in the spirit of climate change, when the turbines do not turn during our peak seasons, in summer and winter, they get backed up by natural gas. Can you explain to me, Minister, how industrial wind turbines backed up by natural gas will contribute to the reduction of greenhouse gas emissions?

Hon. Bob Chiarelli: I'm not sure I understand your question. I'll ask the deputy if he understands the question, and if he does, he can answer it.

Ms. Lisa M. Thompson: Okay.

Mr. Serge Imbrogno: We maintain our gas fleet and we run it as an intermediate fleet. So it's there for peaking or when we need to fill in some gaps.

But you'll see in our long-term energy plan that we have a forecast of GHG reductions. With the coal phase-out, we've had a massive reduction. Going forward with the refurbishment of our nuclear fleet, we're forecasting GHGs to be in the same band.

So we only run the gas plants as an intermediate supply when it's needed for peaking or to fill in the gaps.

Ms. Lisa M. Thompson: Do you anticipate that natural gas will be exempt from the cap and trade?

Mr. Serge Imbrogno: Those discussions are going on right now with MOECC and stakeholders. The plan is to put a price on carbon, so I think gas that produces carbon would be impacted, but exactly how is being discussed now with stakeholders in transportation and the energy sector across the province.

Ms. Lisa M. Thompson: Okay. And for the record, all of the relatively new gas plants are operated by OPG, correct?

Hon. Bob Chiarelli: No.

Ms. Lisa M. Thompson: No? Okay.

Mr. Serge Imbrogno: No—

Ms. Lisa M. Thompson: Thank you. Thanks for the clarification.

Mr. Serge Imbrogno: There are CE, clean energy, supply contracts that are some—OPG is a minor player. They have some joint venture with TransCanada Portland and another plant—I forget the name of it; I think it's Brighton Beach, in the Sarnia area. But most of the contracts are with private suppliers through the IESO.

Hon. Bob Chiarelli: In previous governments as well as our government, we have a procurement process for gas. The proponents would bid, and the successful proponent would get a power purchase contract. That's the nature of the relationship. So the price is set out in the contract and they operate the facility, and they get paid the contract price over the term of the contract.

Ms. Lisa M. Thompson: Okay. All right. Then, again in the spirit of climate change and cap and trade, in the coming months, when nuclear generators are being refurbished, your government has identified that you'll be importing hydroelectricity from Quebec to fill the gap, so to speak. Do you feel our transmission lines, our grids, are in good enough condition to facilitate that importing of electricity from Quebec?

Hon. Bob Chiarelli: No decision has been made to import power from Quebec for that particular purpose. We have a memorandum of understanding with Quebec to negotiate and discuss the possibility of filling the gap, from the units going down, with clean power. The overriding principle will be that it has to be at a price than what we can generate anyway in Ontario. So it provides an economic benefit as well as an environmental benefit. If it doesn't satisfy the economic benefit, we would not go forward. So they're looking at the possibility of that.

There is another agreement which is signed and will be implemented starting this fall, which is an exchange of power between Quebec and Ontario at our peak periods. We peak in the summertime in Ontario and they peak in

winter. So the idea, starting this winter, would be: Quebec cannot supply themselves with enough power for their customers in the winter, so they import—

The Chair (Ms. Cheri DiNovo): I'm afraid that's the end of the time for the official opposition. Thank you.

I just wanted to let you all know that the Jays are up one, bottom of the second.

We are on to Mr. Tabuns, third party.

Mr. Peter Tabuns: Good afternoon, everyone. My first question is just a follow-up to a question I've asked you, Mr. Imbrogno, about the use of the funds from the sale of Hydro One Brampton. I had asked if the \$600-plus million was going to go into the \$4-billion amount for infrastructure. You said that you'd have to check on that. I'm not sure if it's in addition to or if it's part of the existing \$4 billion. Can you confirm whether it is a part of it?

Mr. Serge Imbrogno: I'm still confirming with finance. I'll need to get back to you in the next session.

Mr. Peter Tabuns: I went through transcripts and I'm trying to put the structure of what you're doing clearly in my head. I'm going to go through some points. You may differ from me; I would like to know if you differ from me. You may agree with me—I'll be surprised—but nonetheless.

First, Hydro One would be diminished and its credit ratings damaged if it had to pay the departure tax without further funds coming from the provincial government before a sale. Mr. Imbrogno, you and I talked about the \$2.6 billion going to Hydro One and you said, "We would have an asset that's down \$2.6 billion" if the money was paid for departure tax without \$2.6 billion coming from the province. "It would potentially have issues with its credit rating metrics, and we're about to broaden the ownership. It's not a financially optimal place to be for us as a shareholder of Hydro One."

The value of Hydro One would be diminished if the \$2.6 billion wasn't transferred from the province into Hydro One. Is that correct?

Mr. Serge Imbrogno: Just to clarify, Hydro One would make that departure tax payment of \$2.6 billion. The province is recapitalizing it, in terms of getting equity out of Hydro One for the \$2.6 billion. That keeps its capital structure the same as before that transaction. I think what we're doing with that \$2.6-billion equity injection is just keeping it at the same level that it was at, so that there would be no change in its capital structure.

Mr. Peter Tabuns: So if you hadn't put in the funds, it would have affected its capital structure substantially.

Mr. Serge Imbrogno: It would have impacted the capital structure and potentially impacted credit rating agencies that would look at it and reassess.

Mr. Peter Tabuns: Okay. I think I understand that circle. We take money from the Ontario Financing Authority; we give it to Hydro One; they give it to the Ontario Electricity Financial Corp.; and they give it back to the Ontario Financing Authority. That's summarizing what I said to you yesterday, and you were comfortable with it at that time. You still are, I'm assuming?

Mr. Serge Imbrogno: Could you run through that again?

Mr. Peter Tabuns: Sure. The money goes from the Ontario Financing Authority, the government of Ontario—\$2.6 billion. It goes to Hydro One. Hydro One takes that money and pays it to the Ontario Electricity Financial Corp. and in turn, that money comes back to the Ontario Financing Authority.

Mr. Serge Imbrogno: In effect, with all the consolidation.

Mr. Peter Tabuns: Yes. Okay.

Mr. Serge Imbrogno: I think that's the important part: Everything is consolidated on the province's books, both Hydro One and OEFC.

Mr. Peter Tabuns: So the way I interpret all of those movements is that, effectively, Hydro One has its departure tax paid for by Ontario through a paper entry and the funds aren't used to pay down the Ontario Electricity Financial Corp.'s debt. The ratepayers and taxpayers still have to pay down that debt in the future.

Mr. Serge Imbrogno: I wouldn't characterize it that way. Hydro One makes a \$2.6-billion payment on departure tax. That is a payment in lieu of tax that goes into the OEFC.

Mr. Peter Tabuns: And does the OEFC use that to pay down its debt? Does it hold onto that money?

Mr. Serge Imbrogno: No, they use it to pay down—it's part of their revenues to offset their costs.

Mr. Peter Tabuns: Right.

Mr. Serge Imbrogno: So to the extent that their revenues are greater than their costs, that would pay down the stranded debt. It is a positive contribution to OEFC's revenues to pay down its obligations.

1640

Mr. Peter Tabuns: How is the Ontario Financing Authority made whole? I had understood from previous days that the money went to the OEFC and then circled straight back to the Ontario Financing Authority.

Mr. Serge Imbrogno: As I said, it's all consolidated. OFA manages the money for the OEFC, so in terms of the cash, it comes to the province through consolidation. OFA manages all the money for the province.

Hon. Bob Chiarelli: Consolidation of the books.

Mr. Serge Imbrogno: It's where you account for it in terms of—

Mr. Peter Tabuns: In effect, does the \$2.6 billion actually go to pay off any debts that are held by the OEFC? Or is the \$2.6 billion returned to the Ontario Financing Authority?

Mr. Serge Imbrogno: The \$2.6 billion is a benefit to the OEFC. On consolidation, it becomes a benefit to the province as well. It is to the ratepayers' benefit—getting the \$2.6 billion in departure tax payment.

Mr. Peter Tabuns: Does the \$2.6 billion actually flow out of the OEFC to retire bonds or other debt obligations?

Mr. Serge Imbrogno: It would retire obligations of the OEFC, which could be bonds or could be other debt.

It's all managed by the province on behalf of the OEFC, but to the benefit of the ratepayer.

Mr. Peter Tabuns: If the money is used to pay down debt to bodies outside of the provincial government, how will the Ontario Financing Authority be made whole? How does it get access to that \$2.6 billion in working capital that it's sent on this short voyage?

Mr. Serge Imbrogno: It depends on what obligations are being paid off. It is an accounting of both in terms of the benefit. I don't want to say cash is just cash, but it's really the net benefit that gets consolidated, and the paydown.

Mr. Peter Tabuns: Is there an actual reduction in bond debt or other debts held by the OEFC? Does the money flow out of the province to pay off someone who made a loan to us in the past?

Mr. Serge Imbrogno: It depends how the OFA wants to manage that. Some of that is back-to-back debt with the province and some of it is payables from the province to the OEFC, so it depends how they want to account for that and reduce—

Mr. Peter Tabuns: In the past, you've said to me that this is cash neutral for the OFA. It flows through Hydro One to the OEFC and comes back to the OFA. There's no—

Mr. Serge Imbrogno: Right, because the OFA manages all the money for the province. They're paying the \$2.6 billion, and the \$2.6 billion in cash is coming back—

Mr. Peter Tabuns: To them.

Mr. Serge Imbrogno: Then the important part is the accounting and who gets the benefit of that \$2.6 billion and whose obligations are reduced. What I'm saying is that \$2.6 billion goes to reduce the obligation of the ratepayers. It's to the benefit of the ratepayers. The complicating thing is, because you consolidate OEFC, it also shows up as a benefit to the province on consolidation.

Mr. Peter Tabuns: It shows up as a benefit to the province because—

Mr. Serge Imbrogno: As you pay down the stranded debt, everything gets consolidated, so—

Mr. Peter Tabuns: So this is—

Mr. Serge Imbrogno: This is not related to the Hydro One transaction; it's just the accounting of the OEFC.

Mr. Peter Tabuns: I'm particularly interested that Hydro One will have an asset, it will have prepaid taxes, it will have paid off old taxes—will that actually reduce the amount of debt that the OEFC is holding? Will it pay off a bondholder or a bank outside the province of Ontario's operations?

Mr. Serge Imbrogno: I'm saying it depends on how the OFA wants to manage that. However it does it, it's to the benefit of the ratepayer. There are certain debt obligations, there are certain payable obligations—some are cash, some aren't cash—so it depends how they want to work that through the system.

Mr. Peter Tabuns: So you're saying to me that the OEFC's payables and debts will be reduced after this \$2.6 billion makes its journey.

Mr. Serge Imbrogno: The \$2.6 billion will show up on the OEFC as revenue to offset some of its costs.

Mr. Peter Tabuns: How will the Ontario Financing Authority deal with the loss of \$2.6 billion from its working capital?

Mr. Serge Imbrogno: The cash is with the province; it's just the accounting of what payable you're going to reduce—

Mr. Peter Tabuns: So the accounting changes, but the cash remains the same.

Mr. Serge Imbrogno: Yes.

Mr. Peter Tabuns: It has just gone on a journey. Numerous books have been changed, but the cash comes back to the Ontario Financing Authority at the end of the day.

Mr. Serge Imbrogno: Yes.

Mr. Peter Tabuns: Okay. And the OEFC loses an asset in this, does it not? It loses a payable from Hydro One. Hydro One no longer owes it that departure tax.

Mr. Serge Imbrogno: I think the way I would describe it is that right now, Hydro One makes payments in lieu of taxes to the OEFC. Right now, the province dedicates net income above its financing to the OEFC on Hydro One. So to the extent that the province is broadening ownership and selling 15%, it would have 15% less of the PILs going forward and the net income going forward.

Mr. Peter Tabuns: But there won't be any PILs going forward. It will be corporate taxes in the future, will it not?

Mr. Serge Imbrogno: To the extent that finance makes a determination that those corporate payments should go to the OEFC or they keep them in the province, I think that's a policy decision that they'll need to consider.

Hon. Bob Chiarelli: I wonder if counsel has anything to add to that.

Ms. Sharon Geraghty: The only part I was listening to earlier was just to make sure that when you say that the—and I'm only reiterating what the deputy has already said, but the cash going around is cash neutral. The accounting and the impact on the OEFC—there's a real impact there.

Mr. Peter Tabuns: I have no doubt there are accounting entries. There is no question in my mind about accounting entries.

Ms. Sharon Geraghty: Right, but that has an impact for the benefit of the ratepayers, is what I want to make sure didn't get lost in that.

Mr. Peter Tabuns: I've observed that over the last few years, the payments that are made in cash from OPG and Hydro One to the OEFC, the cash that goes there, is returned to the province and, in turn, what's given to the OEFC is an IOU from the government saying, "We owe you this." So I don't see the debts being reduced; I do see an asset growing, which is an IOU from the provincial government.

Mr. Serge Imbrogno: The IOU you're talking about is the electricity sector dedicated income.

Mr. Peter Tabuns: Yes, that's right.

Mr. Serge Imbrogno: And that's the portion of their net income above the \$520-million dividend payment. That's not a cash item; they're dedicating that amount—that benefit. It isn't a cash item but it is, as you call it, an IOU—

Mr. Peter Tabuns: It's shown on their statements as a reduction in cash. It shows the revenue coming in, shows the reduction in cash—

Mr. Serge Imbrogno: It's not a cash item, but it is a payable from the province to the OEFC.

Mr. Peter Tabuns: That's right, but it doesn't actually ever go to pay off the debt; it just increases the amount of money that the government owes the OEFC.

Mr. Serge Imbrogno: That's why I'm saying there are certain obligations—the province can reduce its obligation to the OEFC if it receives certain payments.

Mr. Peter Tabuns: It reduces its obligation to itself. As you say, the books are consolidated, so it's just reducing its obligation to itself, is it not?

Mr. Serge Imbrogno: It's reducing the obligation to the ratepayer as it gets certain payments that are intended for the shareholder that it can put towards the stranded debt and to pay down that obligation.

Mr. Peter Tabuns: To me, it looks like there's a delay in the payment of the Hydro debt in order to redirect money over to the Trillium Trust; that, in fact, money that should be coming from the operation or sale of Hydro One, if you agree to sell it, is not actually being used to reduce the debt that Ontario and ratepayers owe, it's just being set off and funds are being diverted over to the Trillium Trust. Why is that not a reasonable assumption?

Mr. Serge Imbrogno: I believe the government has made a commitment to maintain the OEFC in the same position it would have been otherwise. I think there is a commitment.

Mr. Peter Tabuns: I know there's a commitment, but there doesn't seem to be cash.

Mr. Serge Imbrogno: Accounting versus cash—I think cash is one part of the equation, but the accounting is also—

Mr. Peter Tabuns: Yes. But when I look at the stranded debt and I see it coming down, the reduction is from the debt retirement charge off people's hydro bills. It isn't reduced by the actual revenue from OPG and Hydro One. All that does is build up the IOU that the Ontario government owes the OEFC.

Mr. Serge Imbrogno: But that's taken into account in the accounting of how much is left on the stranded debt and how much is left on the residual stranded debt.

DRC is one of the flows. The PILs are another flow. The dedicated income is another piece of the calculation of the stranded debt and the residual stranded debt.

1650

Mr. Peter Tabuns: Okay. I may come back to that in my next round.

How much time do I have left?

The Chair (Ms. Cheri DiNovo): Actually, just over five minutes.

Mr. Peter Tabuns: Excellent. I looked through your estimates briefing book and the list of achievements and goals, and I couldn't see any reference to adaptation to climate change. I'd like to know where things stand with your assessment of the resilience of the system with regard to climate change, what your plans are to deal with any vulnerabilities and what you're spending on it.

Mr. Serge Imbrogno: No, I think we have given a lot of attention to climate change adaptation within the ministry and across the government.

Mr. Peter Tabuns: And where do I find it in your estimates briefing book and your list of accomplishments or goals?

Mr. Serge Imbrogno: I think it's a broad goal across not just the Ministry of Energy, it's a broad goal across the whole government. The Ministry of Energy participates in the working groups with MOECC and other ministries. We work with our agencies, so the IESO, Hydro One and OPG all have climate change adaptation strategies. We work closely with our agencies to ensure that they have strategies in place, and then we also work closely with other ministries to ensure that we're part of a team looking at climate change adaptation within and across the government.

Mr. Peter Tabuns: But you don't seem to mention it. I mean, if it's everybody's responsibility and nobody's responsibility, I want to know what you as the ministry are doing.

Minister, I know you want to speak to this. I'll just say in December 2013, I walked up to the 11th storey of a dark apartment building in my riding, talking to seniors who were stranded up there because the power was out. I didn't see afterwards any action on resilience. We've had knowledge since the late 1990s that ice storms were going to be an increasing threat to the reliability of the electricity system. I don't see this as a stated priority, with programs in place in your ministry to take it on. I've raised this with you, Minister, and previous ministers.

Hon. Bob Chiarelli: There have been very significant investments to improve reliability across the sector with all of the LDCs, including Hydro One as an LDC. Some of those are reflected even in increased rates, because there have been approved expenditures to do so.

We are working now on a climate change initiative, the cap-and-trade process. We have an internal working group among four ministries, which includes environment and climate change, energy, finance, and economic development and trade, working with the Premier's office and a number of expert consultants. They've had extensive consultations with stakeholder groups, which are ongoing, and they're looking at implementation—

Mr. Peter Tabuns: Of what?

Hon. Bob Chiarelli: Options of the cap-and-trade.

Mr. Peter Tabuns: No, I'm going to go back to adaptation. I'm interested in mitigation as well but, frankly, when the lights go out—

Hon. Bob Chiarelli: What I will do is read you a briefing note, if you don't mind.

Mr. Peter Tabuns: On?

Hon. Bob Chiarelli: It's called climate change adaptation.

Mr. Peter Tabuns: The title sounds good.

Hon. Bob Chiarelli: The title sounds good.

Ontario is committed to investing in a clean, modern and reliable electricity system that reduces greenhouse gas emissions and provides cleaner air for this and future generations of Ontarians.

Our government, and in particular the electricity sector, is starting from a position of strength due to the investments we have made to eliminate coal-fired electricity generation and reduce emissions.

Replacing coal-fired electricity generation was the single largest climate change initiative undertaken in North America. Ontario is now completely coal-free. That is like taking seven million cars off Ontario's roads and is saving approximately \$4.4 billion in avoided costs—and those are health care and environmental costs.

Mr. Peter Tabuns: Could you skip down to the adaptation part? Because I know this part.

Hon. Bob Chiarelli: Altogether, 90% of the grid-connected power generated in Ontario during 2014 came from emissions-free sources of energy such as water, nuclear and renewables. This will help lessen impacts on the sector.

The ministry is working closely with its agencies to understand the activities and actions currently under way to complete, which will enable the provincial system to address the impacts of climate change, including the effects of severe weather.

In fall 2014, the ministry established a staff-level working group, the energy agency adaptation working group, called "the group," to ensure Ontario's energy policy continues to be responsive to the outcomes of energy sector research.

The ministry is also undertaking actions that add to the resiliency of Ontario's electricity system—

The Chair (Ms. Cheri DiNovo): I'm afraid, Mr. Tabuns, you are out of time.

Thank you, Minister.

We now move to the government side. Mr. Balkissoon.

Mr. Bas Balkissoon: Minister, it's good to see you here.

Since the Green Energy Act was implemented, my riding has been a great beneficiary of it. I have several industrial buildings where the entire roof is solar. Last year, we opened the first biomass facility at the Toronto Zoo, which is the heart of my riding.

Although these projects have gone well, I've had comments from the public and also from some of my city councillors, where the municipalities felt that, in the province implementing this act, they did not have enough sufficient opportunity to give input in the siting of some of these facilities. Listening to the media and the news all over, where projects were sited has been a bit of a concern to many local councils; that the municipality felt that the province did not give them the right tools and opportunities to participate.

Can you tell the committee where you intend on making changes to give municipalities, communities—

especially First Nations communities—more control over the siting of some of the next generation of renewable projects so that there would be a welcome project in those communities?

Hon. Bob Chiarelli: We made significant changes, and there are also changes under way. Of course, our priority is to build clean, reliable and affordable energy in a way that respects communities.

The Independent Electricity System Operator, the IESO, engaged with municipalities, First Nation leaders, community associations and others to get their feedback on large renewable procurement. Large renewable procurement was removed from the feed-in tariff, or FIT, program, and a different type of procurement and different requirements for being a successful proponent were put in place, which took into account the interest of municipalities, First Nations and others. Yes, there was a lot of concern. Mayors spoke, communities spoke, and we listened. As a result, we have empowered municipalities with a stronger voice in large renewable energy project siting, helping ensure that projects are developed in a way that respects communities.

For large, renewable projects, the Independent Electricity System Operator has developed a new bidding process in which projects that have the support of local communities will receive more points and therefore be given priority. Points are also provided to projects that have a First Nation or Métis community partner.

I will say that, under the new large procurement, there have been a number of proponents who have spoken to municipalities, and when it became clear that they were an unwilling municipality, the proponents walked away. There have been public announcements made by some of those proponents, and those cases are well known.

The feed-in tariff program continues to set aside capacity for projects with First Nation, Métis or municipal partners that have majority ownership.

Again, our government is committed to investing in renewable energy and doing so in a way that respects communities and gives them a stronger voice. The new LRP process takes local needs and considerations into account before contracts are offered. Proposals are given greater consideration and additional points in the LRP process if they have established local support for the project. The new LRP ensures that our approach is balanced and considers the views of local communities while ensuring the long-term sustainability of Ontario's electricity system.

1700

Engagement with municipalities and First Nations communities is a critical element in the LRP program. Just to be clear, there are a number of projects that are going through the process now that were large FIT projects. We have not awarded any under the new LRP procurement process; we expect to do that before the end of the year. We've seen a very, very significant level of engagement in the procurement process between the proponents and municipalities. We've introduced funding for small and medium-sized municipalities to create

municipal plans that incorporate energy into the local planning process.

These changes continue our commitment to clean energy while giving communities and municipalities a stronger voice, more control and new tools when it comes to renewable energy.

Our government also released an updated municipal guide to renewable energy development in Ontario entitled *Renewable Energy Development in Ontario: A Guide for Municipalities*. This municipal guide is available on the Ministry of Energy's website. The goal of this guide is to provide municipalities with a clear understanding of the renewable energy development process and their role in that process. My understanding is that that guide was sent with a covering letter to every municipality in the province of Ontario. I also understood it was going to be made available to MPPs. I don't know whether they've received it yet.

I will say that there has been a positive response from many rural municipalities, both for solar and wind projects. Oxford county council passed a unanimous resolution to support a 100% renewable energy policy. A municipality in MPP Hillier's riding—I think it's Lanark-Frontenac-Lennox and Addington—unanimously approved a wind project. Chatham-Kent has approved a wind project, and many large solar projects have municipal approvals in rural municipalities.

I'm not sure that it has too much significance, but I think it might be an indication—not including this one, but the two previous Association of Municipalities of Ontario conferences, at the accountability session when all of the ministers are on stage and any municipal councillor or mayor can ask questions, I think I had seven questions last year and seven or eight the previous year. This year, there was not one question from any municipality dealing with electricity, wind or solar of any nature or kind. I think it mirrors some of the positive action that municipalities see. Many of them are able to get community benefits from the proponents, and they're taking them up on it.

We also believe that when the winning proponents are announced, hopefully before the end of this year, we expect to see a very significant reduction in the cost particularly of wind. Both solar and wind have come down, but wind is expected to be very, very close to grid parity in terms of price.

So with those comments, I'd like to ask Deputy Minister Imbrogno and ADM Kaili Sermat-Harding to expand on my comments.

Mr. Serge Imbrogno: Thank you, Minister. Kaili will go through more details. I'll just say that in our 2013 long-term energy plan there was a focus on regional planning and a focus on engaging local communities, including First Nation and Métis. I think Kaili can walk you through some of the details on how we're putting that into practice through the LRP and other processes.

Ms. Kaili Sermat-Harding: Thank you, Minister, and thank you, Deputy. I guess, for the record, my name is Kaili Sermat-Harding. I'm assistant deputy minister of

the conservation and renewable energy division at the ministry. Thank you for the opportunity to provide more detail on some of the work that we have been doing over the last couple of years, really.

The Green Energy Act has made Ontario a North American leader in clean energy and it also introduced what was North America's most comprehensive feed-in tariff program at the time, stimulating the renewable energy economy in Ontario at an unprecedented rate.

In 2011, the ministry commenced a thorough review of the feed-in tariff program, hearing from thousands of Ontarians, including municipalities, aboriginal communities, industry and sector representatives, and environmental and consumer groups. Resulting from that review were recommendations that addressed the concerns that we were hearing, while continuing to encourage a strong renewable energy sector in the province. The recommendations included enhancing municipal engagement and clarification and strengthening of project siting rules to align with local land use priorities.

We recognize that there was an opportunity for local communities to play a greater role in the development of renewable energy across the province, and through that, we introduced a new priority points system that encouraged greater community and aboriginal community participation and also prioritized projects that could demonstrate municipal support. As a result, applicants that worked closely with communities and demonstrated that support received points during the application process, helping those particular projects to move forward.

A focus on local community and aboriginal projects also helps to ensure that projects are rooted in the community, and investment returns remain there.

As we shifted our focus to a competitive procurement process for large renewable energy projects, we have been able to build on the success of those changes to the FIT program. The minister asked the Independent Electricity System Operator to engage with municipalities, aboriginal communities, community associations and others to get their feedback on the design of the large renewable procurement program. As a result of that engagement, through that process, we have given local communities additional opportunities to participate in the development of renewable energy projects.

In 2013, the Minister of Energy directed the IESO to end the procurement of large projects under the FIT program and replace it with this new competitive process. The ministry's 2013 long-term energy plan outlined the principles, procurement targets and timelines to be incorporated into the development of this new program. These principles included engaging early and regularly with local and aboriginal communities.

The LRP is a competitive process, as the minister noted, and it was launched in 2014. It's open to onshore wind, solar, photovoltaic, bioenergy and water power projects generally larger than 500 kilowatts. The program has been designed to provide municipalities and aboriginal communities with a stronger voice and these additional opportunities to participate in the development of projects.

The elements of the LRP design are a result of the feedback provided by municipalities, aboriginal communities and stakeholders on the design of the program. Starting in 2013, the IESO used a number of mechanisms and outreach strategies to ensure that a broad range of stakeholders were engaged in the development of the program. This included regional community meetings in select areas of the province, webinars, individual meetings, discussion guides and presentations to the stakeholder advisory committee.

From December 2013 to February 2014, the IESO held two webinars and over 35 meetings with municipalities, First Nation and Métis communities, local distribution companies, industry and other stakeholders, as well as the general public. Regional community sessions that were open to the public were held in Orillia, Chatham-Kent, Napanee and Sudbury.

The IESO also hosted three First Nation meetings to which all Ontario First Nations were invited. These meetings were held in Chatham-Kent, Sudbury and Toronto in January 2014, and meetings were also held in Toronto with the Métis Nation of Ontario, the Historic Saugeen Métis and the Red Sky Métis Independent Nation. Overall, 22 First Nation and Métis communities participated in these engagement activities.

The IESO and the ministry also ensured that other government ministries involved with renewable energy policy were engaged in the discussions on the design of the program. These included the Ministries of Environment and Climate Change, Natural Resources and Forestry, Aboriginal Affairs, and Municipal Affairs and Housing, just to name a few. Over 850 groups and individuals participated in the engagement activities, and the IESO received over 65 submissions.

These engagement activities, held across the province, helped us to inform the design of the LRP program, ensuring that considerations regarding key issues such as project siting were clearly understood and considered when finalizing the program.

The program takes local needs and considerations into account before contracts are offered by ensuring that developers take certain steps to engage with municipalities, aboriginal and local communities early and often in the proposal and project development stages. The process includes an initial request for qualifications, to qualify applicants, followed by a request for proposals, to evaluate projects.

1710

The request for qualifications featured robust qualification criteria for developers, including a requirement to demonstrate previous community engagement experience, as well as experience planning, developing, financing and constructing previous energy facilities. The submission window for a request for qualifications applicants ran from July until September 2014, and after a careful review, the IESO announced on November 4, 2014, that 42 applicants were eligible or qualified through that RFQ process, making them eligible to submit proposals in the subsequent RFP stage.

The Chair (Ms. Cheri DiNovo): Just to let you know that there are about five minutes left.

Ms. Kaili Sermat-Harding: Okay. Regarding mandatory engagement and rated criteria, the RFP includes these requirements. As part of the requirements, all developers must conduct preliminary environmental investigations for the proposed sites. They must also draft a community engagement plan, hold at least one community information meeting and use best efforts to initiate at least one meeting with either municipal or First Nation representatives, depending upon where the project is proposed to be sited.

The RFP also includes a set of rated criteria, which are optional engagement measures that reward developers with points if they go above and beyond the mandatory or minimum level required for engagement. The higher the rated criteria score a proposal receives, the more likely it may be competitive for a contract. However, a low-rated criteria score does not necessarily mean that a project will not move forward.

Again, these engagement opportunities are intended to facilitate early relationship building between the developer and the municipality.

With respect to evaluation and selection of LRP proposals, projects are ultimately selected based on both their evaluated proposal price and the availability of capacity on the grid at their proposed connection point. The highest possible rated criteria score is 100. There is no minimum score required because the criteria are, in fact, optional. The scoring system is intended to promote the relationship building between the developer and local community and to provide additional opportunities for local needs and considerations to be raised with developers.

Generally, there are three rated criteria that a project may complete to gain points through engagement with the local community. The first is municipal council or First Nation support resolutions, so points will be awarded if the municipal council or First Nation provides evidence of support in the form of a support resolution; support from abutting landowners—developers are also encouraged to seek support from private property owners abutting the proposed project site and the proposed transmission distribution line through declarations of support; then municipal or First Nation agreements—municipalities and First Nations are encouraged to explore the possibility of entering into an agreement with developers to help clarify expectations, responsibilities and costs related to the renewable energy projects. The program is striving to ensure that our approach is balanced and considers the views of local communities while ensuring the long-term sustainability of Ontario's electricity system and value for the ratepayer.

Successful proponents in the first round of the LRP program are expected to be notified by the end of 2015. At the completion of this first large renewable procurement, or LRP 1, and prior to any subsequent LRP procurements, stakeholders, municipalities and aboriginal communities will be engaged to ensure that any learnings

and opportunities for improvement are taken into account for any future procurements.

Regarding engagement under the feed-in tariff program, it continues to set aside contract capacity for projects with aboriginal, municipal or co-operative partners that may have majority ownership. In fact, the current FIT procurement will see approximately 160 megawatts of capacity reserved for these types of partnership projects. This provides considerable opportunity for communities to participate in and benefit from renewable energy projects. As well, feed-in tariff projects with at least 15% economic participation for aboriginal communities, municipalities or co-operative partners are also eligible for price adders, which further encourage developers to partner with these groups.

Since the FIT program launched in 2009, the IESO has contracted hundreds of projects, which include participation by aboriginal communities, municipalities, public sector entities and co-operatives. Projects are located throughout Ontario with this wide variety of participants.

In conclusion, the ministry is committed to investing in renewable energy in a way that gives communities a stronger voice. As the minister noted, the ministry recently released an updated guide designed specifically for municipalities, and that is available on the ministry's website.

Lastly, Ontario is proud of the role that renewable energy is playing in the province's electricity supply mix and recognizes that local communities are key partners in helping the province remain a clean energy leader.

The Chair (Ms. Cheri DiNovo): You have 30 seconds left. Would you like to use them wisely? Okay, thank you.

We're going to take a five-minute break.

Just to let you know, it is still 0 for Kansas City and 1 for the Jays in the top of the fifth.

We'll be back here at 5:20.

The committee recessed from 1715 to 1720.

The Chair (Ms. Cheri DiNovo): Ladies and gentlemen, we're back. It is time for the official opposition. You have 20 minutes. Mr. Smith?

Mr. Todd Smith: I would like to just follow up on where Ms. Sermat-Harding was speaking about the new competitive process that the province is operating under, when it comes to renewable energy projects going forward, and the engagement process that is now occurring with municipal councils across the province.

I come from Prince Edward-Hastings. Of course, you know well, Minister, that Prince Edward county is one of those unwilling hosts in Ontario, and there are 80-some unwilling host communities. Yet decisions that were made prior to this new formula coming into effect are still negatively impacted by the decisions that were made.

I asked one of your predecessors about this, back a few years ago—Mr. Bentley, when he was the Minister of Energy—why renewable energy projects that the municipalities were so firmly against, like Prince Edward county and the wind turbine project that is proposed for the south shore there, were approved and why green

renewable energy projects in other parts of—even my riding—that had full community support, those proposals gathered dust on a shelf?

For instance, the Marmora pumped storage power project—I believe you're familiar with it; I've asked a number of questions about that—

Hon. Bob Chiarelli: I visited it.

Mr. Todd Smith: You have been there?

Hon. Bob Chiarelli: Yes.

Mr. Todd Smith: Okay. It's beautiful. It actually is a beautiful site, and it has the full support of the municipal council. It has the full support of the Eastern Ontario Wardens' Caucus, and the vast majority of community members are very, very interested in seeing that pumped storage project at the old Marmora mine site go ahead.

I was just wondering, since you have been there and you're familiar with the project, whether or not that project—which is in a willing host community—is that something that the government is looking at? I know storage is included in your long-term energy plan.

Hon. Bob Chiarelli: I'll comment on that briefly, and then I'll pass it on to the deputy or the ADM.

First of all, it was a very, very impressive site. The principle around using that site as pumped storage—which is a very, very good type of electricity—makes a lot of sense. Technically it will work etc.

We've had a number of meetings and discussions with the proponent. I believe they are still working on a solution with some potential joint venture partners, and I think that's good. My understanding of the issue is that they can't get the price down to where it's competitive with other dams or gas or whatever. So the issue is, do you pay them a bonus on the price of power?

I know that a lot of people who have looked at wind and solar have said, "You know what? For a lot of reasons, including price, it shouldn't be done."

In this case, I think one of the biggest issues is the question of the price that they would have to get for the power to build the project. It's not dead; they are looking at technical ways to deal with the issue.

There are other really appropriate uses around the site—it's a spectacular site—so that would be my comment at this particular point. I know that the ministry would have other comments, maybe from a technical point of view.

Mr. Serge Imbrogno: Yes, I'll just add to what the minister is saying. We do have pumped storage at the Beck facility, with OPG. That's already in existence and already being utilized.

It's a major capital investment to build a new pumped storage facility, so that would be factored into the costs they would need to recover in a long-term contract. There have been discussions with the IESO on a potential contract. Those are obviously commercially confidential, but I think at this point they haven't come in at a price point that is competitive with alternatives.

I think it has a lot to do with that big capital investment and the fact that we already have pumped storage at the Beck facility with OPG.

Mr. Todd Smith: While we're on the topic of local projects here, there's a biomass facility, and I'm not sure if you're aware, with a proposal—County Power is the name of the company, if I remember correctly, from the Bancroft area. The forest industry there is a huge employer in North Hastings. They had proposed a biomass facility that had the support of the community. There was a district heating component as well—kilo would be included. This was the type of green renewable energy project, unlike some others that the government has gone ahead with, that would see full-time jobs and it would sustain a lot of the jobs that are in the community. You know the situation that the forest industry is in right now. A lot of the mills have closed down.

I'm just wondering if you had any kind of an update that you could share with us on expanding biomass and whether Bancroft might be considered in that new fleet of biomass facilities—if there's any talk of such a thing.

Hon. Bob Chiarelli: First of all, we're not familiar with that specific application. I'm more than willing to check with my staff and with the ministry to track where it is and see what the issues are around it. There are opportunities in the energy sector for generation from wood products, and we're very, very interested in moving in that direction.

Sometimes it's an issue of no available transmission or not sufficient transmission. Sometimes, again, the power price purchase contract would have to be too high to justify it moving forward.

I'd be more than happy to look into it and get back to you outside the committee or in the committee.

Mr. Todd Smith: I appreciate that.

Deputy Minister?

Mr. Serge Imbrogno: Biomass is an eligible resource under our FIT program, so there is a program in place. As the minister said, there are other factors. It could be a transmission connection that doesn't work for that particular area. We can pursue that and give you more detail on that if that's—

Mr. Todd Smith: Sure. I had those discussions with your predecessor, and I would have hoped that that information would have been passed along, but I'm happy to discuss this with you further as well. The reason for that is because I come from a riding that has such huge opposition to wind turbines that are being imposed on them, on the south shore of Prince Edward county. Transmission has to be built there. They're a long way from where the power is needed, which is mostly here in the GTHA; the transmission is going to have to be built.

These two projects that I just mentioned—the Marmora pumped storage and the biomass facility—could be used for peaking. They would be much more responsive than the wind and solar projects that are being pushed onto Prince Edward county are. It just seems to me that if you're going to move ahead with these renewable projects, it would make more sense to go in the communities that want them. I believe it was Ms. Sermat-Harding who mentioned that there are a growing number of willing host communities out there for these

types of projects. Prince Edward county isn't one of them. Prince Edward county is probably one of the loudest at stomping their feet and making it clear to the government that they don't want these.

One that's being proposed in Prince Edward county is the Ostrander Point project, and you are probably aware of it. It's a nine-turbine project planned for crown land in Prince Edward county, so it's not even as if there's a local landowner who's going to benefit from having turbines on his property. This is crown land. No one is benefiting from this, and everyone is against it. So while this new process has come into effect, it's too late for Prince Edward county, and I can't understand why the government—and maybe you can explain it to me—hasn't backed away from that particular project.

Hon. Bob Chiarelli: We'd have to look at the particular circumstances.

First of all, I would appreciate, when any of these issues come up, that you would bring them to our attention. I know your colleague MPP Yakabuski has done that with us on a number of occasions, and we've responded. As a matter of fact, at his invitation, we visited Renfrew just about three or four weeks ago. Ensyn is a company that uses wood or forestry by-products or waste to—they have a special patent for what's called renewable oil, and they have a number of derivative products that come out of that. They're marketing it internationally etc. They're looking to expand. We're introducing them to the Eastern Ontario Development Corp. so that they can build a second plant to accommodate the need.

1730

We're very willing to move into areas that deal with forestry products, whether it's biomass or whether it's for this renewable oil product. We're very hopeful that we can help that particular company, so anything that you bring to the table, bring to our attention, we'll follow up on.

Mr. Todd Smith: Sure. I brought the Prince Edward county issue up many, many times, as you probably know—the fact that they are an unwilling host community and these projects are being thrust upon them in spite of huge opposition from the council and the chambers of commerce. Every community group out there has opposed these things. Even our local MP elect, the former mayor of Belleville, Neil Ellis, who is our new Liberal MP, has come out during the election campaign and said, “This is the wrong place to be putting these projects.”

You can understand the frustration in this community. Everyone has been coming out opposed to these projects, but it seems like the government isn't listening.

Prince Edward county is one of the top tourist destinations in Ontario now. It has been promoted in every Yours to Discover Ontario TV commercial four or five different times. This is really important, and I would love to see the Minister of Energy or the government say, “We made a mistake here. Let's look at a host community that's willing.” I mean, it has happened with gas plants in the past; why aren't we looking at communities that are willing hosts?

Hon. Bob Chiarelli: I was appointed Minister of Energy, and one of the first things we did was the long-term energy plan indicating that we wanted to go into a large renewable procurement. You will know that we have done no large renewable procurements since then. We reviewed extensively, particularly with AMO. AMO was onside with the new process. We're just going to be announcing projects, hopefully before the end of this year, under that process.

We took the time to consult with municipalities and with the stakeholders very extensively. There are still a number of wind and solar projects in production from the old large FIT project. So this has been a change. I know we've had the debate in the Legislature, “Should we cancel contracts or not cancel contracts” etc., and I think you know what our position is on that.

But I'm going to ask the deputy or the ADM if they have any further comments.

Mr. Serge Imbrogno: I would just say that the minister laid out the LRP process, that we did consult. I think on the existing contracts, they are contracts that would have to be—well, we have an issue if we cancel contracts, obviously. These are valid contracts that are in place. The IESO has said that they will monitor those contracts to make sure that they comply. If they're off-side, the IESO has said that they will terminate contracts that are not meeting their contract obligations. So that's in place, but as long as the contracts are valid and in place, then they would continue.

The Chair (Ms. Cheri DiNovo): Ms. Thompson.

Ms. Lisa M. Thompson: If I may, two things: You just mentioned that IESO looks over the contracts for these industrial wind turbines. So then, by extension, it would make perfect sense that if they're reviewing contracts, perhaps they should be the impartial third party that reviews safety standards and facilitates the safety audits in the future. I'm just throwing it out there for consideration.

Minister, you talked about announcing more projects by the end of the year. I'm wondering specifically why the government of the day is looking to possibly change the setbacks. In the EBR, in the proposed amendments to Ontario regulation 359/09, specifically, there are changes proposed to the classification of wind facilities and the application of the 550-metre setback. Just—

The Chair (Ms. Cheri DiNovo): Just to let you know, you have about five minutes left.

Ms. Lisa M. Thompson: Okay. I can tell you that taxpayers across this province are worried that this proposed change that was registered on the EBR will possibly lead to turbines being closer to receptors than 550 metres. Can you explain what the intent is on that proposed amendment?

Hon. Bob Chiarelli: Deputy?

Ms. Kaili Sermat-Harding: I think we really do need to defer to the Ministry of the Environment and Climate Change on the posting and the rationale behind that.

Ms. Lisa M. Thompson: But your ministry is looking to announce the approval of new projects by the end of

the year, which I feel, if you put all the pieces of the puzzle together, could possibly be positively impacted by this proposed change. I don't understand why your ministry can't comment on why you would like to change the 550-metre setback, especially in light of the fact that direct impacts are happening with pieces flying off turbines at this time.

Mr. Serge Imbrogno: I think what we're saying is it's an MOECC regulation. I think we would have to consult with MOECC and ask them for their rationale, because it's not our regulation; it's an MOECC proposed regulation.

Ms. Lisa M. Thompson: So you've never discussed the merits of this proposed amendment change?

Ms. Kaili Sermat-Harding: It has been posted. I think we just have to come back on the change of receptor, because it is a fairly technical point. Again, the minimum setback, to my knowledge, is not being changed, but it may be in relation to changes to receptors. I just at this point don't have more technical—

Ms. Lisa M. Thompson: And receptors very much—

Hon. Bob Chiarelli: We could forward the question to the Ministry of the Environment and ask them to respond specifically to that.

Ms. Lisa M. Thompson: I'd really appreciate that, Minister. Thank you. A lot of people are wondering why this change has been proposed. Thank you for that.

In terms of your long-term energy plan, do you have a scheduled review period planned for it?

Hon. Bob Chiarelli: We have indicated that in the not-too-distant future, we'll start a new consultation on the next version, the updated version of the long-term energy plan. Deputy, I don't know if you can give an any more specific time frame on it.

Mr. Serge Imbrogno: We normally review—every three years there will be a new plan, so if we stay with that same period, it will be 2016, early 2017. I think with the 2013 long-term energy plan, we did an extensive consultation process with local communities, stakeholders, First Nations, Métis. We would replicate that and probably expand that. We're looking at what worked in the past. We had technical briefings and technical reports that we put out, so we would replicate a lot of that and expand that. We want to do more of that engagement with local communities and then start that early in the process towards a revised LTEP in 2016, early 2017.

Ms. Lisa M. Thompson: Okay. I think that's it.

Mr. Todd Smith: Just back to Prince Edward county again and the south shore of Prince Edward county, if I could: The wind turbine project that's planned for Ostrander Point—as I mentioned, it's on crown land, so there's no—

Hon. Bob Chiarelli: Is that under the FIT program or under the new—

Mr. Todd Smith: This is the previous program, the FIT program. This was approved before your time. I'm not blaming this on you; I'm blaming it on your predecessors.

Hon. Bob Chiarelli: I wear it all anyway.

Mr. Todd Smith: Yes, you have broad shoulders. You had to, to take on this portfolio.

The project—how much time do we have?

The Chair (Ms. Cheri DiNovo): One minute.

Mr. Todd Smith: It's an internationally recognized important bird area. There are historical acts—cultural—

Ms. Lisa M. Thompson: Natural heritage.

Mr. Todd Smith: Natural heritage act—thank you very much—concerns with this project as well. There are endangered species issues in the area that have been backed up by experts with the Ministry of Natural Resources. There are a million reasons to reject this project. I'm just curious as to why this project would get the green light.

Hon. Bob Chiarelli: Where is it in the process? I'm assuming that they're going through the environmental part of the process, from which there is an appeal process—

Mr. Todd Smith: Yes, and they've appealed and they won their appeal.

1740

Hon. Bob Chiarelli: There was one that was successful about 10 or 12 months ago.

Mr. Todd Smith: That's this one, yet the ministry is continuing to go against the ruling of their own tribunal, their own Environmental Review Tribunal.

The Chair (Ms. Cheri DiNovo): I'm afraid your time is up. We move on to the third party. It's the bottom of the sixth and it's still 1-0 for the Jays. Mr. Tabuns.

Mr. Peter Tabuns: Thank you for the update, Chair.

Minister, thanks for giving me that document to look at. In 2011, the government came up with Climate Ready: Ontario's Adaptation Strategy and Action Plan. One of the actions was to have departments like yours do a vulnerability assessment. Has a vulnerability assessment been done? It's been four years.

Mr. Serge Imbrogno: As the minister said, we set up the ADM working committee. We have been working with our agencies to ensure that they have plans in place, so the IESO has a requirement that people provide emergency assessment plans. Hydro One has done similar work; OPG has done similar work. I think through our agencies, those requirements are in place.

Mr. Peter Tabuns: It's been four years and you've told me that you're talking to the agencies. Do you have vulnerability assessments in place for each of those agencies so that we know what our risks are with regard to the electricity operating system?

Mr. Serge Imbrogno: What I'm saying is they would have their plans in place. The IESO would have a requirement that everyone prepares an emergency preparedness plan. Those plans are in place.

Mr. Peter Tabuns: I'm not talking about an emergency preparedness plan. I'm talking about a plan—

Mr. Serge Imbrogno: Well, for extreme weather—

Mr. Peter Tabuns: Yes.

Mr. Serge Imbrogno: Extreme weather plans are in place through our agencies.

Mr. Peter Tabuns: Have you done a vulnerability assessment?

Mr. Serge Imbrogno: You might call it a vulnerability assessment. I'm saying that what we've put in place are extreme weather—

Mr. Peter Tabuns: I'm using your government plan's terms. The government of Ontario has a plan. It's called Climate Ready: Ontario's Adaptation Strategy and Action Plan. Have you, using their term, done a vulnerability assessment?

Hon. Bob Chiarelli: There's a very, very strong consensus across North America through the continental organizations that are in place, particularly after Hurricane Sandy and a few other events. They have identified the two most significant risk factors in the electricity sector. One is cyber-security and the other is weather events. I know that all of the utilities—the LDCs, OPG etc.—are going through processes to try to tighten that up, reviewing their codes in terms of their infrastructure. I've attended meetings with them where they've indicated that they're reviewing their infrastructure requirements for future installations so that they will better protect themselves, first for cyber-security and also for weather events. I know that Toronto Hydro is doing it. Hydro One is looking at it.

To tell you right now that there is a one comprehensive place where all of this has been assembled that we can give to you, we probably can't. We can refer you to or try to get an update from them to consolidate it, but we know they're on the file.

Mr. Peter Tabuns: Then I would ask that you present the vulnerability assessments that have been done by the major components of the electricity system to see whether or not you're in compliance with the action plan that your government adopted four years ago. That's my first request. I gather that you don't have a problem doing that.

Mr. Serge Imbrogno: I don't want to promise you something—we might have a different terminology of what you're asking for and in the context of what the government said it would do across ministries versus what we, as the Ministry of Energy, are doing with our agencies. I don't want to mix agency action plans for extreme weather with what the government is doing in general related to climate adaptation. I don't want to mix these things up.

But I think what we can get you is what the OEB requires of the LDCs in terms of when they submit their rate applications, what they allow for extreme weather events and adapting to climate change, what the OPG is doing to address extreme weather conditions and climate change and what Hydro One is doing.

Mr. Peter Tabuns: I'd like you to table them. I don't believe you're in compliance with your own plan. I'd like to see what the evidence is. When I ask these questions, I get the response that we're getting ready for emergency response, which is how the Premier responded to the ice storm in 2013.

I think it's a good idea to have an emergency response plan, but I think it's even better to have a plan in place

beforehand that has identified the vulnerabilities and taken them on and addressed them. So I would like to see if you are in compliance with the government's plan. If you could provide those documents, I would appreciate that.

Action 2 of the government's climate change plan was to "report on adaptation actions." When I go through your estimates, I can't find any reference to it at all, unless I have missed it. Can you point out where you're reporting on adaptation actions in your achievements and in your plans?

Mr. Serge Imbrogno: Through the Ministry of Energy, we're working with our agencies that are the—

Mr. Peter Tabuns: You don't even say that in your estimates.

Mr. Serge Imbrogno: Well, the estimates is really identifying where we spend dollars. We don't spend direct dollars; we do a lot of the work through the agencies and make sure that they have their plans in place and actions in place. So, through the Ministry of Energy, unlike maybe other ministries that have different plans in place, we have the agencies that are really charged with taking action to ensure that they have plans in place.

Mr. Peter Tabuns: And you talk about this in here. You talk about conservation plans and about the LDCs implementing conservation plans. You talk about Green Button. You talk about a lot. This is a very significant factor.

It's been a long week for everybody. I don't mean to be cranky at the end, but I have to tell you, that when I dealt with a large population of people with no heat and no light in December, knowing that this government and others have been aware of this problem for well over a decade and not seeing action to deal with the vulnerabilities, it made me extraordinarily upset at the time, and people were extremely angry at me as I walked down the street: "What are you going to do about this? How did this happen?" They were right to be angry.

In 2014, in the fall, you set up a working group. What has the working group done? Is there a report available one year later on what the working group on adaptation has done? Is there?

Mr. Serge Imbrogno: The key deliverable of the working group is working with our agencies that are the ones that are actually delivering on ensuring they have plans in place, taking steps to address the issues you have talked about.

Mr. Peter Tabuns: And how do you, as Minister and Deputy Minister, know that they are actually doing something? Have they sent you a report at any point saying, "This is what we're doing, this is who we're doing it with, this is what we see as the outcome"?

Mr. Serge Imbrogno: Well, we're aware that they have their plans in place. We're aware that they have taken steps to address the issue. Hydro One was part of the issue, and Toronto as well. So there were reports on that. The IESO: One of their main responsibilities is to ensure that we have a reliable and resilient grid, so they're taking actions on that.

I think what we're saying is that we have charged our agencies to ensure that they have plans in place.

Mr. Peter Tabuns: And have you followed up to make sure the plans are there, and that they're adequate? Can you assure people here that we wouldn't see a repeat of what happened in December 2013 or, frankly, in July 2013, when a major transformer station was flooded out in the west end of the GTA? Have those issues been addressed?

Mr. Serge Imbrogno: We can't assure anyone specifically of a particular weather event. I think what we can do is assure people that we have taken steps to address those issues through the IESO, in terms of the bulk system, through LDCs, through OEB requirements and through our agencies: Both Hydro One and OPG have taken actions.

Mr. Peter Tabuns: And can you give us a list or statement of the actions that have been taken to ensure, as best as is possible, continuity of electricity supply in extreme weather events?

Mr. Serge Imbrogno: We can document what each of the agencies has put forward and what the requirements are that they impose through regulation.

Mr. Peter Tabuns: Well, that would be an advance. If you could document that and table it with this committee for circulation to all the members, that would be appreciated. Will you undertake that?

Mr. Serge Imbrogno: I will undertake to provide that information; I believe it's publically available—

Mr. Bob Delaney: Chair, is the member asking, through the committee, for the ministry to table a document? Other than an answer to a question, if the member is asking for a document to be tabled with the committee, we may need to do that in the form of a motion.

Mr. Peter Tabuns: Mr. Delaney, I've been requesting backup from the minister for a number of days now, and this is the first time you've jumped in. What's piqued your curiosity?

The Chair (Ms. Cheri DiNovo): Actually, it's part of the process of asking questions in estimates to ask for information, so I'll let that go.

Continue, please, Deputy Minister.

Mr. Serge Imbrogno: I think my response is that I would provide on the IESO website what's publicly available on the OEB website. This information is in the public domain. To the extent that you want me to table that, I can table that information.

Mr. Peter Tabuns: If you table what you've done—

Hon. Bob Chiarelli: It's a fair question. We know that things are happening in that area with the agencies etc., obviously, not only from this most recent event or the couple of recent events—the flood and then the ice storm etc. We know that there are people actively working on it in the agencies. We'll try to get the best information for you that indicates specifically what they're doing.

Mr. Peter Tabuns: That's a reasonable response. Thank you. Can I ask, when you're doing your assessment of vulnerability, what level of warming are you planning for? What standard are you aiming for?

Hon. Bob Chiarelli: Do you mean climate change-related issues?

Mr. Peter Tabuns: Yes. When you're looking at a change in the climate, are you expecting that the climate will warm four degrees more, and are you planning for that? Are you planning for one-degree warming or two-degree warming?

Mr. Serge Imbrogno: I don't have that answer. I think that each of the agencies would have certain assumptions or—

Hon. Bob Chiarelli: I think the best answer would come from the Ministry of the Environment and Climate Change. They're looking at that in very significant detail.

Mr. Peter Tabuns: I imagine they would. What I'd like to know is, given that you are the people who oversee the operation of the electricity system, what numbers are you working from? What scenarios are you working from?

Hon. Bob Chiarelli: There are certain things that are works-in-progress. I would say that's a work-in-progress. We know that the Minister of the Environment has indicated what some of the science is saying with respect to that. He's in the process of creating the climate change policy response on behalf of the government, working with other agencies. He'd be the spokesperson on that.

Mr. Peter Tabuns: A fair enough response, Minister, although I'll just say that if you don't know what scenario you're working to, it's very hard to assess what your vulnerability is, and it's very hard to know what you actually have to do. If the water is going to rise 50 feet, it's very different from the water rising 10 feet. I look forward to getting that documentation.

I have another line of questioning on demand. Last year, Barclays bank downgraded credit ratings for electricity companies across the USA because of potential competition with solar panels and battery storage. Have you done an assessment of the risk of demand drop in Ontario from the large-scale adaptation of solar and battery storage?

Mr. Serge Imbrogno: I think in our long-term energy plan, we identify that there has been a structural change—

The Chair (Ms. Cheri DiNovo): I'm sorry. It looks like there is about to be a vote in the House. We will have to adjourn until next Tuesday morning.

Mr. Peter Tabuns: Thank you.

The Chair (Ms. Cheri DiNovo): Thank you very much, all. And it's still 1-0 at the bottom of the sixth.

The committee adjourned at 1754.

CONTENTS

Wednesday 21 October 2015

Committee business	E-521
Ministry of Energy	E-521
Hon. Bob Chiarelli	
Mr. Serge Imbrogno	
Ms. Kaili Sermat-Harding	
Ms. Sharon Geraghty	

STANDING COMMITTEE ON ESTIMATES

Chair / Présidente

Ms. Cheri DiNovo (Parkdale–High Park ND)

Vice-Chair / Vice-Présidente

Miss Monique Taylor (Hamilton Mountain ND)

Mr. Bas Balkissoon (Scarborough–Rouge River L)
 Mr. Chris Ballard (Newmarket–Aurora L)
Mr. Grant Crack (Glengarry–Prescott–Russell L)
 Ms. Cheri DiNovo (Parkdale–High Park ND)
 Mr. Han Dong (Trinity–Spadina L)
 Mr. Michael Harris (Kitchener–Conestoga PC)
Ms. Sophie Kiwala (Kingston and the Islands / Kingston et les Îles L)
 Mr. Todd Smith (Prince Edward–Hastings PC)
 Miss Monique Taylor (Hamilton Mountain ND)

Substitutions / Membres remplaçants

Mr. Bob Delaney (Mississauga–Streetsville L)
 Mr. Peter Tabuns (Toronto–Danforth ND)
 Ms. Soo Wong (Scarborough–Agincourt L)

Also taking part / Autres participants et participantes

Ms. Lisa M. Thompson (Huron–Bruce PC)
 Mr. Jim Wilson (Simcoe–Grey PC)

Clerk / Greffier

Mr. Christopher Tyrell

Staff / Personnel

Mr. Jeff Parker, research officer,
 Research Services