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**Official Report  
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**Monday 11 April 2016**

**Journal  
des débats  
(Hansard)**

**Lundi 11 avril 2016**

**Standing Committee on  
General Government**

Climate Change Mitigation  
and Low-carbon Economy  
Act, 2016

**Comité permanent des  
affaires gouvernementales**

Loi de 2016 sur l'atténuation  
du changement climatique  
et une économie sobre en  
carbone

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES**

Monday 11 April 2016

Lundi 11 avril 2016

*The committee met at 1402 in committee room 2.*

**CLIMATE CHANGE MITIGATION  
AND LOW-CARBON ECONOMY  
ACT, 2016**

**LOI DE 2016 SUR L'ATTÉNUATION  
DU CHANGEMENT CLIMATIQUE  
ET UNE ÉCONOMIE SOBRE EN CARBONE**

Consideration of the following bill:

Bill 172, An Act respecting greenhouse gas / Projet de loi 172, Loi concernant les gaz à effet de serre.

**The Chair (Mr. Grant Crack):** Good afternoon, everyone. Members of the committee, support staff and members of the public, I'd like to call this meeting to order. This is the Standing Committee on General Government. We're here to undertake clause-by-clause consideration of Bill 172, An Act respecting greenhouse gas. There are 200 or so amendments, so I wish all members of the committee their best in moving these forward.

At this time, I would ask, are there any comments or questions concerning the bill, prior to consideration? Mr. Potts.

**Mr. Arthur Potts:** Chair, I noticed that we have, on top of the motions here, a series of other motions that were paper-clipped together—eight or nine. Are all of these motions contained within the documents here?

**The Chair (Mr. Grant Crack):** No.

**Mr. Arthur Potts:** For instance, for motion 21.25.3, a PC motion on section 26(3), when I go into the text, I find that it's there already, but as motion 21.25.2. Does that make it a duplication that we've got it in twice?

**The Chair (Mr. Grant Crack):** I'll just defer to the Clerk to answer.

**The Clerk of the Committee (Ms. Sylwia Przewdziecki):** They're not duplicates. The content may be the same, but those were filed after the package was collated. When we get to one of those motions, the Chair might bring it to your attention that this particular motion we're dealing with was part of that separate package. You can then slide the paper into the appropriate space. They are in addition to the larger package.

**Mr. Arthur Potts:** All right. So even though they're exactly the same section, subsection and wording, they're being added as new amendments.

**The Clerk of the Committee (Ms. Sylwia Przewdziecki):** I don't know that they're all the same, but the

numbers are sequential, so there is a place where they fit in.

**Mr. Arthur Potts:** Okay. I just wanted to put it on the record.

**The Chair (Mr. Grant Crack):** Just for the committee's information, we did as a committee set a deadline of 3 p.m. However, that's—what's the word?

**Mr. Arthur Potts:** "Directory."

**The Chair (Mr. Grant Crack):** It's not a firm deadline, because there's not an order from the House. At this point, we accepted the further amendments that came in later, after the Clerk's office had prepared the package.

Mr. Tabuns?

**Mr. Peter Tabuns:** Were they incorporated in package number 4 that came out?

**The Clerk of the Committee (Ms. Sylwia Przewdziecki):** No.

**Mr. Peter Tabuns:** No?

**The Clerk of the Committee (Ms. Sylwia Przewdziecki):** No. Those were received since package 4 came out, which is why they haven't been inserted into every package. But they are numbered. I flagged for the Chair which ones belong to that separate, small package so we can make sure everyone reaches for the right piece of paper when we get there.

**Mr. Peter Tabuns:** Okey-doke.

**The Chair (Mr. Grant Crack):** So when we get to the first one, I have my little indicator here and I will say, "This is in the smaller package that you received at the beginning of the meeting."

**Mr. Peter Tabuns:** Excellent.

**Mr. Arthur Potts:** Thank you, Chair.

**The Chair (Mr. Grant Crack):** You're quite welcome, Mr. Potts.

Any further questions or comments? There being none, we shall begin clause-by-clause consideration.

We will move to subsection 1(1), definition of "designated account agent," which is government motion 0.1. Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 1(1) of the bill be amended by adding the following definition:

"designated account agent" means an account agent designated under section 23;"

**The Chair (Mr. Grant Crack):** Any further discussion on the motion? There being none, I shall call for the vote.

Those in favour of government motion 0.1? Those opposed? I declare government motion 0.1 carried.

We shall move to government motion 0.2, which is an amendment to subsection 1(1), definition of “mandatory participant.” Mr. Potts.

**Mr. Arthur Potts:** I move that the definition of “mandatory participant” in subsection 1(1) of the bill be struck out and the following substituted:

“‘mandatory participant’ means a person who is required by section 15 to register or who is registered as a mandatory participant; (‘participant assujetti’)”

**The Chair (Mr. Grant Crack):** Any discussion on the motion? There being none, I shall call for the vote.

Those in favour of government motion 0.2? Those opposed? I declare government motion 0.2 carried.

We shall move to government motion 0.3, which is an amendment to subsection 1(1), definition of “person.” Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 1(1) of the bill be amended by adding the following definition:

“‘person’ includes an individual, corporation, partnership, sole proprietorship, association or any other organization or entity;”

**The Chair (Mr. Grant Crack):** Any discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** A question: Why do we need this definition?

**The Chair (Mr. Grant Crack):** Mr. Potts.

**Mr. Arthur Potts:** It just clarifies who we mean by a person. It broadens out the understanding of what a person is and makes it very clear.

**Mr. Peter Tabuns:** Okay.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote.

Those in favour of government motion 0.3? Those opposed? I declare government motion 0.3 carried.

We shall move to government motion 0.4, which is an amendment to subsection 1(1), definition of “recognized account agent.” Mr. Potts.

**Mr. Arthur Potts:** I move that the definition of “recognized account agent” in subsection 1(1) of the bill be struck out.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote.

Those in favour of government motion 0.4? Those opposed? I declare government motion 0.4 carried.

We shall move to government motion 0.5, which is an amendment to subsection 1(1), definition of “record.” Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 1(1) of the bill be amended by adding the following definition:

“‘record’ includes any information that is recorded or stored by means of any device;”

**The Chair (Mr. Grant Crack):** Discussion? There being none, I shall call the vote.

Those in favour of government motion 0.5? Those opposed? I declare government motion 0.5 carried.

We shall move to PC motion 0.6, which is an amendment to subsection 1(4). Ms. Thompson.

**Ms. Lisa M. Thompson:** We’re not going to move this motion. Withdraw.

**The Chair (Mr. Grant Crack):** We have been advised that this motion is withdrawn. Thank you.

We shall move to PC motion 0.7, which is an amendment to subsection 1(4). Ms. Thompson.

**Ms. Lisa M. Thompson:** Chair, I would respectfully ask the committee to work with me on this. This motion relates to our amendment to subsection 68(2). I ask for unanimous consent to stand down the amendment and deal with it once 68(2) comes up.

1410

**The Chair (Mr. Grant Crack):** Ms. Thompson has requested that this particular motion be stood down until we deal with a further motion down the road.

Mr. Potts.

**Mr. Arthur Potts:** I’m fascinated to see how this plays out, so I would support the unanimous consent.

**Mr. Peter Tabuns:** Yes, I’m in agreement.

**The Chair (Mr. Grant Crack):** We have unanimous consent that PC motion 0.7 will be stood down until we reach a certain point in the amendments later.

**Ms. Lisa M. Thompson:** Thank you, Chair.

**The Chair (Mr. Grant Crack):** You’re welcome.

That is section 1. We have a number of amendments. Is there any discussion with regard to section 1 carrying, as amended? There’s no discussion at this particular point. Because there has been one amendment that we have stood down, we will defer further discussion and passing of this section until we deal with that. It was section 68, I believe you said.

**Ms. Lisa M. Thompson:** Yes, it is.

**The Chair (Mr. Grant Crack):** We shall move, then, to section 2. We have NDP motion number 1, which is new clause 2(1)(0.a). Mr. Tabuns?

**Mr. Peter Tabuns:** I move that subsection 2(1) of the bill be amended by adding the following clause:

“(0.a) to meet the emission reduction targets under section 6, with a goal of limiting temperatures increases to, at most, a 1.5 Celsius degree increase in global average temperatures from pre-industrial levels;”

Mr. Chair, I think the world is moving to a consensus that we need to have an increase in temperature far below two degrees, and 1.5 seemed to be a number that was acceptable to the international community at the Paris negotiations. Thus, I move that this be incorporated in the body of the bill.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** It’s after much consideration that we have two degrees right now, and we’ll not be supporting this motion to reduce it—and keep it at two degrees as it is.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for a vote on NDP motion number 1.

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote.

**Ayes**

Tabuns.

**Nays**

Hoggarth, Malhi, McDonell, McGarry, McMahon, Potts, Thompson.

**The Chair (Mr. Grant Crack):** I declare NDP motion 1 defeated.

We shall move to NDP motion 2, which is new clause 2(1)(0.a). Mr. Tabuns?

**Mr. Peter Tabuns:** I move that subsection 2(1) of the bill be amended by adding the following clause:

“(0.a) to meet the emission reduction targets under section 6, with a goal of limiting temperature increases to well below two Celsius degrees above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 Celsius degrees above pre-industrial levels;”

Mr. Chair, this incorporates the text of the Paris accord. The Premier was present, the Minister of the Environment was present, and the Prime Minister of Canada was present. The Canadian position is to support the goal that’s embodied in this amendment.

I think that my previous motion would have been a stronger one, but I’ll settle for the text of the Paris accord being incorporated in this bill. I think that for us to be seen as responsible and to act responsibly, this is an international target that we need to adopt and try to achieve.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** I share the interest in going there, to 1.5. However, at this stage, I think we’ve got too much that’s in line at two. I think we’ll stick with it now, and we can hope we’ll get closer to 1.5, because that’s the objective. But we’ll stay within two because it’s politically—or, what I say, it’s the art of doing what’s possible. So I recommend we stay at two.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** I just note that this puts Ontario in line with the Canadian position. This is the text of the Paris accord, which was hailed by the Prime Minister of the country, the country’s environment minister. The Premier and the Minister of the Environment and Climate Change were present. This is generally seen as where we have to go, so it’s a surprise—and, frankly, out of keeping with where the country is headed—to not adopt the Paris text.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion?

**Mr. Peter Tabuns:** A recorded vote.

**The Chair (Mr. Grant Crack):** There being none, I shall call for the vote.

**Ayes**

Tabuns.

**Nays**

Hoggarth, Malhi, McGarry, McMahon, Potts.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 2 defeated.

We shall move to NDP motion number 3, which is new clause 2(1)(0.b).

**Mr. Peter Tabuns:** I move that subsection 2(1) of the bill be amended by adding the following clause:

“(0.b) to provide financial and investment assistance to low to middle-income residents and northern and rural residents to make the transition to a carbon free future;”

**The Chair (Mr. Grant Crack):** Thank you. Mr. Tabuns.

**Mr. Peter Tabuns:** I’ve followed this issue over time. I’ve noted the experience of the Australian Labour Green Coalition, which brought forward a carbon tax. Their experience was that because they didn’t actually make provision for low-income households, the ability of the right wing in Australia to go against their climate action was successful. Not only did they lose their carbon tax—a carbon tax I had problems with but at least it was a climate initiative—but in fact, large chunks of everything that Australia was doing on climate was rolled back.

The simple reality, when you go out and talk to people, is that they are pressed now financially, particularly people who are low-income, people who live in the north who don’t have access to transit: as you’re well aware, the Ontario Northland bus system has been cut dramatically. People have very few choices out there. Frankly, rural residents rarely have access to anything that could be called reasonable transit.

I think it makes sense for us, because we are interested in the transition to a carbon-free world, to assist those households and those individuals, those families, that will be in the toughest position in this society. It’s to the advantage of the government and to the advantage of those who want action on climate change to support this resolution.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** Again, the messaging or the intent here is very good. We understand that there’s a disproportionate impact on low-income Ontarians. However, in this section, it doesn’t seem to be the right place. By putting it in this section, it doesn’t guarantee us the carbon reductions from these investment strategies to come out. We have been working with the NDP—I know the member will appreciate that—in subsection 7(2), where we can better address the needs of low-income Ontario people. I will recommend voting against this motion.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts. Ms. Thompson?

**Ms. Lisa M. Thompson:** Again, we appreciate the direction that the member has taken on this particular motion, but we want to reaffirm that the PC position on any type of carbon price in Ontario is—revenue-neutral, so that all Ontarians are treated equally and fairly.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Peter Tabuns:** Just a recorded vote when we get to it.

**The Chair (Mr. Grant Crack):** There being none, I shall call for the vote.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McDonell, McGarry, McMahan, Potts, Thompson.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 3 defeated.

We shall move to NDP motion number 4, which is a new clause: 2(1)(0.c). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 2(1) of the bill be amended by adding the following clause:

“(0.c) to assist people working in high carbon industries make a just transition where their livelihoods are affected;”

Again, Mr. Chair, I think it’s a question of making sure that there’s support across the board for the type of changes that are needed. Those people that work in steel, oil, natural gas or cement, where they may find disruption in their work lives, deserve support from the population as a whole to make the transition. In the end, politically, I think it will be necessary to develop the broad consensus needed in this society to make a difference. A just transition is something that has been recognized for decades, and globally, as something that has to be part of the transition to a low-carbon economy.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** I agree with the notion of a just transition where industries are affected by a whole measure of things, whether carbon trade, cap-and-trade legislation, labour adjustment issues or technology changes, but we have whole other sections of government which look after those kinds of transitional issues, and I think it would be a mistake to put it into cap-and-trade legislation, because it doesn’t, again, guarantee that we’re going to get carbon reductions by those kinds of transitional measures.

1420

So we’ll continue to work closely with unions and employees who are affected, but the mechanisms will be under different pieces of legislation—employment standards, for instance.

**The Chair (Mr. Grant Crack):** Mr. Tabuns.

**Mr. Peter Tabuns:** I would feel more comforted by that statement if in fact there were initiatives that were addressing the need for just transition in post-secondary education, in training, colleges and universities, or in the Ministry of Labour. I see no evidence of such action. In the absence of action, given that we have this bill before

us, it makes sense for us to address it. I understand the position the government’s taking; I disagree with it.

**The Chair (Mr. Grant Crack):** Any further discussion? There being none—

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McDonell, McGarry, McMahan, Potts, Thompson.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 4 defeated.

We shall move to NDP motion number 5, which is a new clause: 2(1)(0.d). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 2(1) of the bill be amended by adding the following clause:

“(0.d) to enable Ontarians to adapt to the impacts of climate change;”

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** Chair, if this was 1990 and we were discussing cap-and-trade, simply dealing with mitigation or reduction of greenhouse gas emissions would be, frankly, as much as you really needed to do. But it’s 25, 26 years later; we’ve blown the opportunity to avoid the worst of climate change. We will see very substantial changes in our world and very substantial changes in this society.

If you’re actually going to have a credible climate plan, you actually have to have an adaptation plan that is part of it. I think it should be reflected in the purposes of this bill. I think that it’s not responsible to ignore the need to make those adaptation actions now.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** I think this motion sort of infers a doom-and-gloom view of what happens to all of Ontario. I think our position in the government is that this is going to have exactly the opposite effect: that we will be allowing Ontarians to adapt to the impacts of climate change through a stimulation of the economy—new jobs and opportunities in the clean-tech sector. I just don’t think that this is a necessary amendment, so we’ll be voting against it.

**The Chair (Mr. Grant Crack):** Ms. Thompson?

**Ms. Lisa M. Thompson:** I just wanted to go on record to let the committee know that we agree with our NDP colleague in this regard, and we found too that the issue of climate adaptation has been totally overlooked in this bill. Therefore, we’ll be supporting it.

**The Chair (Mr. Grant Crack):** Mr. Tabuns?

**Mr. Peter Tabuns:** Just with regard to the government's comments on climate adaptation and the impact of climate change, my hope is that the investment in a new economy, an economy based on renewable energy, will in fact have a huge, positive impact on our economy. But I referenced the Stern report from 2006; the impact of climate change was described as having an impact comparable to World War II or the Great Depression. In fact, we in this province will see substantial problems with drought and substantial problems with flooding. We will see substantial problems with forest fires. In fact, a study done by the federal government in the late 1990s—the Liberal government—found that a large part of northwestern Ontario would become prairie and that the forest would be gone.

I'm not talking doom and gloom; I'm talking scientifically about what the Intergovernmental Panel on Climate Change and Canada's Ministry of the Environment have described as the physical changes that we're facing. To not prepare for those will not be seen as responsible, and in fact is not responsible.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** The whole concept of an adaptation plan—a comprehensive plan will be coming shortly, but it's outside of the confines of a bill which is directed at reducing emissions, as opposed to mitigating and adaptation costs. So I just don't think it belongs here. There will be lots of time to talk about adaptation issues later on.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** There being no further discussion, there has been a request for a recorded vote.

### Ayes

McDonnell, Tabuns, Thompson.

### Nays

Hoggarth, Malhi, McGarry, McMahon, Potts.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 5 defeated.

We shall move to NDP motion number 5.1, which is new clause 2(1)(c).

**Mr. Peter Tabuns:** I think it's a PC motion.

**Ms. Lisa M. Thompson:** It's a PC motion.

**The Chair (Mr. Grant Crack):** What did I say?

**Mr. Peter Tabuns:** On that side of the room, we all look the same. I don't know what it is.

**The Chair (Mr. Grant Crack):** It's a PC motion. I don't know what's wrong with my glasses today. I'm so sorry.

**Mr. Peter Tabuns:** I have light-coloured hair; she has light-coloured hair; he has light-coloured hair. Maybe that's it.

**The Chair (Mr. Grant Crack):** Members of the committee, that will be the last time I make an error on this.

*Interjections.*

**The Chair (Mr. Grant Crack):** Oh, yes, it is.

PC motion number 5.1.

**Ms. Lisa M. Thompson:** We're going to withdraw that motion.

**The Chair (Mr. Grant Crack):** I went through all that for a withdrawal?

**Ms. Lisa M. Thompson:** Yes, I know. That's why I was smiling.

**The Chair (Mr. Grant Crack):** Wonderful. PC motion 5.1 has been withdrawn.

We shall move to PC motion number 5.2, which is new clause 2(1)(c). Ms. Thompson.

**Ms. Lisa M. Thompson:** I move that subsection 2(1) of the bill be amended by striking out "and" at the end of clause (a), by adding "and" at the end of clause (b) and by adding the following clause:

"(c) to involve and engage individuals, businesses, farmers, communities, municipalities, non-governmental organizations and First Nation and Métis communities in fostering a high-productivity low-carbon economy and society in Ontario."

**The Chair (Mr. Grant Crack):** Further discussion?

**Ms. Lisa M. Thompson:** Contrary to what we heard from the government last week, it's staggering to find that in Bill 172 the government does not mention farmers once, and it only goes on to mention the role of agriculture twice in schedule 1. I know there has been a lot of lobbying done to make sure farmers are at the table. It's an absolute overlooked travesty and completely unacceptable that farmers, who are the best stewards of the land and who have the ability to sequester carbon and have the natural landscape and to lead by example when it comes to protecting our environment and addressing climate change, have been completely overlooked.

So I feel it's very important that the essential role that farmers play in reducing emissions and adapting to climate change should be recognized in this proposed act.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion? Mr. Potts.

**Mr. Arthur Potts:** The whole intent in the consultations is to consult widely across all sectors, and to identify certain sectors at this point would have a limiting effect on the bill. I don't see teachers in here. I don't see nurses. I don't see public support workers. I don't see anyone specifically—are you turning your back on all those communities? Let's just keep it wide, broad consultations and not be trying to make political points with certain interest groups by including them and excluding others.

So we'll vote against this, Chair.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts. Ms. Thompson.

**Ms. Lisa M. Thompson:** Chair, I cannot believe that this government does not recognize the people who own the bush land, people who own the carbon sinks to sequester, people who have worked for decades with en-

environmental farm plans to ensure that no-till conservation practices have been embraced for decades. This is just another example of how this government continues to be totally disconnected from our agri-food industry in Ontario. It's a travesty, and people will hear about it.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion?

**Mr. Arthur Potts:** We have, of course, had widespread consultations. All of the sectors that she initiates—we've had great support from the Ontario Federation of Agriculture and others. Had the caucus on the other side bothered to seek a briefing with our staff or give us amendments in advance so that we could have them reviewed—this is nothing more than trying to score political points, and it's kind of shocking that they would be delving this low. They know exactly where we are on consulting with those communities, and so, again, we'll be voting against it.

**The Chair (Mr. Grant Crack):** Thank you. Ms. Thompson?

**Ms. Lisa M. Thompson:** Chair, with all due respect, during our ministerial briefing, when we got to this one particular section—I live on a farm—it jumped out at me and screamed at me that the people who are in the best position to provide and carry on environmental practices that have been embraced for decades were completely left away from this table. The agri-food industry in Ontario is second, if not nudging into first place, in terms of the overall GDP and impact in Ontario.

Once and for all, the agri-food industry, much like my colleague from the NDP and I saw in Paris during COP—there are jurisdictions around this world that are embracing agriculture as part of their sustainability plans. They were celebrated as pillars of how to adapt to climate change. We really should be treating Ontario farmers with the respect that they deserve and at the level that they deserve to be at, and not in slap-hand, second thought.

1430

**The Chair (Mr. Grant Crack):** Mr. McDonell.

**Mr. Jim McDonell:** I think that we see an opportunity here. Farmers in this province are the largest owner of the private sector land mass, which has the ability to be a big part of the solution. I know that a number of groups—contrary to what Mr. Potts said—walked out of the agreement because of the lack of co-operation they had with government; the grain farmers walked out. Some of the others didn't walk out because they wanted to stay at the table, but they certainly don't agree with what's going on here.

They should really be a big part of the solution. To be part of the solution, they need to be involved in a bill like this, but we see that they're clearly not. Again, they've been just another group that has been beat up by this government.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion?

**Ms. Lisa M. Thompson:** Recorded vote, please.

**The Chair (Mr. Grant Crack):** There being none, I shall call for the vote on PC motion 5.2, and there has been a request for a recorded vote.

#### Ayes

McDonell, Tabuns, Thompson.

#### Nays

Hoggarth, Malhi, McGarry, McMahon, Potts.

**The Chair (Mr. Grant Crack):** I declare PC motion 5.2 defeated.

Section 2: There were no amendments that carried. Is there any further discussion on section 2 in its entirety? There being none, I shall call for a vote on section 2.

Shall section 2 carry? Those in favour? Those opposed? I declare section 2 carried.

We have sections 3, 4 and 5. There are no proposed amendments. I would ask the committee two things. Is there any discussion on any of those in particular?

There being none, would the committee consider bundling those into one motion? Okay, I have unanimous consent to bundle sections 3, 4 and 5.

There being no further discussion, I shall call for the vote.

Shall sections 3, 4 and 5 carry? Those in favour? Opposed? I declare sections 3, 4 and 5 carried.

We shall move to section 6 and NDP motion number 6, which is an amendment to subsection 6(1), paragraph 2. Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you very much, Chair. I move that paragraph 2 of subsection 6(1) of the bill be struck out and the following substituted:

“2. A reduction of 50 per cent by the end of 2030.”

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you, Chair. I've looked at the targets set by the provincial government and I've looked at targets set in the European Union. The provincial government has adapted targets that are seen as needed for the world as a whole, but the reality is that jurisdictions in Europe have differentiated between those countries that have greater resources and those that don't.

So those countries that actually have the resources to go further have set substantially more ambitious targets: Denmark has committed to a 40% carbon reduction by 2020, which is far ahead of us; the UK has committed to a 57% reduction by 2030; Germany, to a minimum of 55% reduction by 2030.

I would say that their approach, which is to have the wealthier, better-resourced jurisdictions taking on a more ambitious stand on reductions, is one that's needed here. Increasingly, as you read the science, it's very clear that we need a sharp drop now, rather than a slow drop towards 2050.

This target is consistent with, but not as high as, many of the leading European jurisdictions and, frankly, I think

it is more consistent with reaching a 2% cap on global temperature increases than the current target set by the provincial government.

**The Chair (Mr. Grant Crack):** Further discussion?

Mr. Potts.

**Mr. Arthur Potts:** We're comfortable with the targets we've had for a long time, so we'll keep them going moving forward.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote.

**Mr. Peter Tabuns:** Recorded.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote.

Shall NDP motion number 6 carry?

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McDonell, McGarry, McMahon, Potts, Thompson.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 6 defeated.

We shall move to NDP motion number 7, which is an amendment to subsection 6(2). Mr. Tabuns?

**Mr. Peter Tabuns:** I move that subsection 6(2) of the bill be struck out and the following substituted:

“More stringent targets

“(2) The Lieutenant Governor in Council may, by regulation, set more stringent greenhouse gas reduction targets by reducing the total amount of greenhouse gas emissions allowed at each target date.”

It's a mechanism, Chair, to allow the government to be more ambitious. I would say that as the impacts of climate change become more visible, ambition will be demanded by the population. I think it would be useful for the government to have this authority.

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** I guess we'll be opposing, as we're somewhat worried that you would give this government any more power than it already has. I think if there truly is an issue that needs to be dealt with by the public, legislation will be in order.

**The Chair (Mr. Grant Crack):** Thank you. Mr. Potts.

**Mr. Arthur Potts:** I believe we already have this power, so I will not be voting for it.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote. There has been a request for a recorded vote.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McDonell, McGarry, McMahon, Potts, Thompson.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 7 defeated.

We shall move to NDP motion number 8, which is an amendment to subsection 6(3). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 6(3) of the bill be struck out and the following substituted:

“Interim targets

“(3) The Lieutenant Governor in Council shall, by regulation, establish interim targets for the reduction of greenhouse gas emissions.”

Chair, this is consistent with the position put forward by many environmental organizations. They have felt, and expressed it in presentations before this committee, that interim targets are necessary to make sure that the province's efforts are kept on track. I would say that this is something that the government should be doing and should be required to carry forward, and will be necessary if we're going to achieve what we want to achieve.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Tabuns. Further discussion? Ms. Thompson.

**Ms. Lisa M. Thompson:** Thank you very much. I think we all know and it has been well documented that this government is already going to have serious problems meeting its current targets. We feel strongly that this Liberal government should be focusing more on innovation, efficiency and conservation and less on gouging taxpayers with higher fuel and home-heating costs to bankroll its cap-and-trade slush fund. We have to oppose this particular motion.

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? There being none, I shall call for the vote.

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote. I shall call a vote, as I said, on NDP motion number 8.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McDonell, McGarry, McMahon, Potts, Thompson.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 8 defeated.

We shall move to NDP motion number 9, which is a new subsection, 6(3.1). Mr. Tabuns?

**Mr. Peter Tabuns:** I move that section 6 of the bill be amended by adding the following subsection:

“Temperature goals

“(3.1) When increasing the targets specified in subsection (1) or establishing interim targets for the reduc-

tion of greenhouse gas emissions, the Lieutenant Governor in Council shall have regard to any temperature goals recognized by the Conference of the Parties established under article 7 of the United Nations Framework Convention on Climate Change.”

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** I think that if we’re going to be setting goals or establishing interim goals, we need reference to the international documents that give us a framework for understanding the issue. Thus, I suggest that this be the wording we utilize on temperature goals.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Tabuns. Further discussion? Mr. Potts.

**Mr. Arthur Potts:** I’m delighted, actually, that we’ve been able to work with the member opposite to find a framework using the United Nations Framework Convention on Climate Change. We can support this amendment as is.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts. Further discussion?

**Mr. Arthur Potts:** Recorded.

**Mr. Peter Tabuns:** Recorded.

1440

**The Chair (Mr. Grant Crack):** There being no more discussion, and a request for a recorded vote, I shall call the vote.

### Ayes

Hoggarth, Malhi, McGarry, McMahon, Potts, Tabuns.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 9 carried.

Government motion number 9.1: My notes indicate that it’s been deleted from the package. I just want to verify that that’s the case.

**Mr. Jim McDonell:** It’s here, but it says “deleted.”

**The Chair (Mr. Grant Crack):** So I shall ask: Is there a member—Mrs. McGarry?

**Mrs. Kathryn McGarry:** Thank you, Chair. Section 6, subsection 3.1, is withdrawn.

**The Chair (Mr. Grant Crack):** Thank you very much. Just to confirm, as Chair, government motion 9.1 has been withdrawn.

We will move to NDP motion number 10, which is an amendment to subsection 6(4). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 6(4) of the bill be amended by striking out “is the amount specified as such by the minister” and substituting “is the amount specified as such by the minister, in accordance with internationally accepted methodologies developed by the Intergovernmental Panel on Climate Change”.

Chair, if the minister is going to be given the power to essentially reset the baseline against which all of our efforts are going to be measured, then I think it’s important that the minister actually be given the standard by which that assessment should be made. The Intergovernmental Panel on Climate Change is an internationally recognized

body that has the knowledge, the authority and the methodologies that we need. I think that the government would give itself greater credibility by adopting this amendment.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** I think we have to vote against this. We do keep up on new technologies and science, but this keeps us aligned with linkages to the WCI through the California and Quebec programs. We think that’s important at this stage.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** The parties in Paris have already agreed to these, and in fact, I’d like to read in what the agreement requires: “The consistency between the methodology communicated in the nationally determined contribution and the methodology for reporting on progress made towards achieving individual parties’ respective nationally determined contribution.” So it’s already there.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** I would say, Chair, that it’s not certain that the current Minister of the Environment and Climate Change will always be the current Minister of the Environment and Climate Change. Notwithstanding the occasional shuffle, there may be larger movements in politics over time, and I think it’s to everyone’s advantage to have the standard related to one that is internationally recognized.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 10.

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McDonell, McGarry, McMahon, Potts, Thompson.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 10 defeated.

We shall move to section 6, as amended, as there was one amendment that carried. Is there any discussion on section 6, as amended? There being none, I shall call for the vote.

Shall section 6, as amended, carry? I declare section 6 carried.

We shall move to section 7, government motion 10.1. I have a note here that it is deleted from the package. Ms. Hoggarth?

**Ms. Ann Hoggarth:** We recommend that this be withdrawn, please.

**The Chair (Mr. Grant Crack):** Thank you for recommending, but do you withdraw?

**Ms. Ann Hoggarth:** Yes, sorry.

**The Chair (Mr. Grant Crack):** There has been a withdrawal of government motion 10.1. So 10.1 is withdrawn.

We shall move to NDP motion number 11, which is an amendment to subsection 7(2). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 7(2) of the bill be struck out and the following substituted:

“Traditional ecological knowledge

“(2) If a First Nation or Métis community provides the minister with any traditional ecological knowledge or other information relevant to preparing climate change action plans or specific actions under this act, the minister shall incorporate that traditional ecological knowledge or other information into the minister’s decisions.”

**The Chair (Mr. Grant Crack):** Thank you. Mr. Tabuns?

**Mr. Peter Tabuns:** Chair, this is a recommendation that a number of the environmental groups that came before us recommended be part of this bill. I think that there’s great value in doing this, recognizing the knowledge of the First Nations in this province, the Métis in this province. Using their knowledge, accumulated over centuries, is something that would be beneficial to us.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** Clearly, the preamble of the bill does recognize the unique relationship that First Nations and Métis communities have with the environment—that they are deeply connected spiritually and culturally to the land, water, air and animals, and that their traditional ecological knowledge may be reflected in specific actions. So it’s already recognized in there. It will be part of the consultation and consideration. I don’t see that it’s necessary to put it in this section. We’ll vote against it.

**The Chair (Mr. Grant Crack):** Mr. Tabuns?

**Mr. Peter Tabuns:** I had an opportunity to ask legislative research about preambles before we got into this. Although they’re very nice and very useful in terms of anyone explaining what’s in the bill, they don’t have force of law; they don’t dictate a policy. They are explanatory rather than prescriptive. What I think is needed, frankly, is direction to the minister—this minister and future ministers—to utilize and incorporate that traditional First Nations and Métis knowledge. To say that it’s in the preamble, to say that it’s recognized, does not actually give due recognition to this knowledge and these peoples.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote—

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** —on NDP motion number 11. There has been a request for a recorded vote.

## Ayes

Tabuns.

## Nays

Hoggarth, Malhi, McGarry, McMahan, Potts.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 11 defeated.

We shall move to NDP motion number 12, which is a new subsection 7(2.1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 7 of the bill be amended by adding the following subsection:

“Impact on low-income households

“(2.1) The action plan must consider the impact of the regulatory scheme on low-income households and must include actions to assist those households with Ontario’s transition to a low-carbon economy.”

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** I understand that the government may well support this motion. I note that in California 25% of the funds that are going to be spent out of their cap-and-trade system are to be devoted to low-income communities. If we aren’t going to be providing income assistance, I think that we have to, in a very aggressive way, help low-income communities substantially reduce their greenhouse gas emissions and their energy costs. This amendment may be useful in having that actually happen.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** I’m very pleased to be able to work with the member opposite on this amendment. We will be supporting it.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** We’ve said all along that we need to see this legislation be revenue-neutral, and we know that it’s going to impact ordinary families—\$900 a year just on gasoline and home heating alone. We’ve seen through the budgetary process that it’s just dumped into general revenue and it’s just used to balance the budget. So without saying anything, it’s just another scheme to get more people more money from the province of Ontario’s residents.

**The Chair (Mr. Grant Crack):** Further discussion? There being none—

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote on NDP motion number 12.

## Ayes

Hoggarth, Malhi, McGarry, McMahan, Potts, Tabuns.

**The Chair (Mr. Grant Crack):** None opposed. I declare NDP motion number 12 carried.

We shall move to government motion 12.1. Mr. Potts.

**Mr. Arthur Potts:** I'd like to withdraw that motion.

**The Chair (Mr. Grant Crack):** Government motion 12.1 is withdrawn.

We shall move to PC motion 12.2. Ms. Thompson.

**Ms. Lisa M. Thompson:** We're going to withdraw that.

**The Chair (Mr. Grant Crack):** PC motion 12.2 is withdrawn.

We shall move to PC motion 12.3. Mr. McDonell.

**Mr. Jim McDonell:** I move that paragraph 1 of subsection 7(4) of the bill be struck out and the following substituted:

"1. The potential reduction in greenhouse gases per tonne resulting from the actions set out in the plan."

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on PC motion 12.3. Those in favour of PC motion 12.3? Those opposed? I declare PC motion 12.3 defeated.

We shall move to PC motion 12.4, which is an amendment to subsection 7(4). Mr. McDonell.

1450

**Mr. Jim McDonell:** I move that subsection 7(4) of the bill be amended by adding the following paragraph:

"4. A detailed summary of the financial costs that the actions set out in the plan will have on the government and the municipalities, businesses and members of the public affected by the plan."

**The Chair (Mr. Grant Crack):** Further discussion on PC motion 12.4? Ms. Thompson.

**Ms. Lisa M. Thompson:** Time and again, we have seen this government fail to consider the costs of its policies. We just have to look to the Green Energy Act as a perfect example of how something has been rammed through this Legislature with absolutely no consideration of its effects on electricity bills for Ontarians. It's safe to say all Ontarians are being hit with this now. Really and truly, we should be stopping a repeat of the Green Energy Act.

Therefore, in order to do so, it's important to set legal requirements for this government to think before it regulates. As you can see, even with the announcement of continued interest in FIT contracts, with the most recent just announced last week, they're continuing to ram through ill-conceived ideas. We just feel that this particular motion would rein in this government to consider the costs of its policies over all of Ontario.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on PC motion number 12.4. Those in favour? Those opposed? I declare PC motion 12.4 defeated.

We shall move to NDP motion number 13, which is an amendment to subsection 7(5). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 7(5) of the bill be struck out and the following substituted:

"Public notice

"(5) The minister shall, before January 1, 2017, lay the action plan before the assembly and make it available to the public on a website of the government or in such other manner as may be prescribed by the regulations."

Chair, I believe the government will be in support of this, and I'm appreciative of that support. I think, if we're going to have an action plan, that it has to be one that is visible, one that people can assess, critique and generally understand fully before it goes into place.

**The Chair (Mr. Grant Crack):** Further discussion? Ms. Thompson.

**Ms. Lisa M. Thompson:** I just would like to add that we're going to be supporting this particular motion. We hear from independent officers of the Legislature time and again how this government snubs its nose at deadlines. Because of that, we're fully supportive of this motion.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** We will be supporting it. I know that we have cases in parts of this legislation where the independent officers are excluded from looking into it. They talk about transparency, and we think it's an opportunity to see if they actually follow through with it.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts?

**Mr. Arthur Potts:** Again, I'm delighted to be able to work with the member opposite from the third party on this amendment. I'd love to have the great things that we're doing out in front of the public, so we're supporting this amendment.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Peter Tabuns:** Recorded vote for this unusual situation.

**The Chair (Mr. Grant Crack):** It's been a long time, Mr. Tabuns, since I've seen that too. However, we'll see at the results of the recorded vote on NDP motion number 13. I shall call the vote.

### Ayes

Hoggarth, Malhi, McDonell, McGarry, McMahon, Potts, Tabuns, Thompson.

**The Chair (Mr. Grant Crack):** I declare NDP motion 13 carried.

We shall move to government motion number—

**Mr. Arthur Potts:** We withdraw 13.1.

**The Chair (Mr. Grant Crack):** Thank you very much. Government motion 13.1 is withdrawn.

We shall move to NDP motion number 14, which is an amendment to subsection 7(6). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 7(6) of the bill be struck out and the following substituted:

"Revision and review

"(6) The action plan may be revised at any time and must be reviewed every five years or at least once during each compliance period."

I would say, Chair, that to put in place an action plan and not to review and update it as circumstances change would not be an appropriate approach for this province. I may have been a bit generous with the amount of time,

but I would say that at a minimum, those are the thresholds that the plan should have to meet.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** I believe that the flexibility to review the plan is already contained in the legislation. We'll be reporting on the status of the action plan measures every year. So I don't think this amendment is necessary.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Jim McDonell:** I think that it's fine that the government says they will be responding every year, but all this does is just make it a requirement of at least every five years. I think that if they're over and above that, that's great—we haven't seen that type of record before—but we are somewhat concerned, based on what they have done in the past, so we'll be supporting this.

**The Chair (Mr. Grant Crack):** Ms. Thompson.

**Ms. Lisa M. Thompson:** I would just like to add that past behaviour is indicative of future behaviour. We just don't trust this government to adhere. We're all for making this government more accountable.

**The Chair (Mr. Grant Crack):** Mr. Tabuns.

**Mr. Peter Tabuns:** Chair, I appreciate that the government will be reporting, or seems to be intent on reporting, more frequently on the performance of the action plan. But frankly, plans go out of date. They become stale. They need to be revised. I think that the plan should be reviewed and restated on a regular basis. Five years, or at least each compliance period, seems a reasonable length of time. It's consistent with the UK government, which has five-year carbon budgets. I think that we can do as well as they can.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Tabuns.

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** Really?

**Mr. Peter Tabuns:** Just to shock you.

**The Chair (Mr. Grant Crack):** Okay, that's fantastic. Further discussion? There is no further discussion. There has been a request for a recorded vote on NDP motion number 14. I shall call the vote.

### Ayes

McDonell, Tabuns, Thompson.

### Nays

Hoggarth, Malhi, McGarry, McMahon, Potts.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 14 defeated.

Section 7 has two amendments that carried, so the section itself is amended. Is there any further discussion on section 7 in its entirety? There being none, I shall call for the vote on section 7, as amended.

Those in favour? I declare section 7, as amended, carried.

**Mr. Peter Tabuns:** No, no, keep going. No need to stop there.

**The Chair (Mr. Grant Crack):** Almost, almost.

We shall move to section 8. We have one proposed amendment. It's NDP motion number 15, which amends subsection 8(1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 8(1) of the bill be amended by striking out "every five years" and substituting "once every year".

My understanding is that the government will support this amendment. I appreciate that support. I think that it is reasonable that people, on an annual basis, have an opportunity to see what has actually been accomplished.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Jim McDonell:** Yes, we support any time you can increase the accountability of this government, because it's something that's very tough to do.

**The Chair (Mr. Grant Crack):** Thank you, Mr. McDonell. Any further discussion?

**Mr. Arthur Potts:** The members of the official opposition could well learn from the member how, if you come forward early enough with ideas that are useful, we're happy to work with them. This is another of those amendments where we're delighted to be able to work with the member opposite. I appreciate the unanimous support. It's very important.

**The Chair (Mr. Grant Crack):** Thank you very much. Any further discussion on NDP motion number 15?

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** There being none, I shall call for the vote. There has been a request for a recorded vote.

### Ayes

Hoggarth, Malhi, McDonell, McGarry, McMahon, Potts, Tabuns, Thompson.

**The Chair (Mr. Grant Crack):** Those opposed?

I declare NDP motion number 15 carried.

Section 8 has been amended with one amendment. Is there any discussion on section 8, as amended? There being none, I shall call for the vote.

Does section 8, as amended, carry? Those in favour? I declare section 8, as amended, carried.

We shall move to a new subsection being proposed in NDP motion number 16, which is a new section 8.1. Mr. Tabuns.

### 1500

**Mr. Peter Tabuns:** I move that the bill be amended by adding the following section:

"Climate change adaptation plan

"8.1(1) The minister shall prepare a climate change adaptation plan that sets out actions under a regulatory scheme designed to produce suitable mitigation of the impact of climate change on Ontario.

"Timetable

“(2) For each of the actions set out in the adaptation plan the plan shall establish a timetable for taking that action.

“Contents

“(3) The climate change adaptation plan shall include the following information:

“1. Information concerning the potential risks to human health and property from rising temperatures and accompanying weather changes with an assessment of the scale of vulnerability in each area touched on.

“2. An assessment of the cost of protecting human life and property from the risks described in paragraph 1.

“3. If an adaptation action could be funded, in whole or in part, using the amounts in the Greenhouse Gas Reduction Account, the estimated amount of any funding from the account that may be contemplated.

“Public notice

“(4) The minister shall, before January 1, 2017, lay the climate change adaptation plan before the assembly and make it available to the public on a website of the government or in such other manner as may be prescribed by the regulations.

“Periodic revision and review

“(5) The climate change adaptation plan may be revised at any time and must be reviewed at least every five years or as otherwise prescribed.

“Public notice after review

“(6) If the climate change adaptation plan is revised following a review, the minister shall, at the earliest reasonable opportunity, lay the revised action plan before the assembly and make it available to the public on a website of the government or in such other manner as may be prescribed by the regulations.

“Status

“(7) For greater certainty, the climate change adaptation plan and any revisions to it are not undertakings within the meaning of the Environmental Assessment Act.

“Progress reports

“(8) Section 8 applies to the climate change adaptation plan, with necessary modification.”

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** I’ll note, Chair, that a number of years ago the government came forward with a report called Climate Ready with a variety of recommendations, including detailed assessments of the vulnerability of a number of key infrastructures, including our electricity infrastructure. To my knowledge, virtually none of that work has been done. I certainly have had the opportunity to question the Minister of Energy in estimates. Very little has ever actually come forward.

I note that in 2013, there was a severe rainstorm in the Toronto area that resulted in a large-scale loss of power in the west end due to the flooding of a Hydro One transformer station. That station should have been identified earlier by Hydro One. In fact, other stations should have been assessed for their vulnerability.

We are not ready; we are not prepared for the impact of extreme weather. There will be property damage; there may well be loss of life. It makes sense for us to put in place an adaptation plan now and prepare for what’s coming at us.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** Again, I fully understand the importance of an adaptation plan, which will be coming. I look forward to having some of these ideas incorporated in what is coming; however, within the confines of this bill, this is not the right place. The Greenhouse Gas Reduction Account must be used for greenhouse gas reductions and not adaptations. We’ll be voting against it.

**The Chair (Mr. Grant Crack):** Mr. McDonnell.

**Mr. Jim McDonnell:** We just think that with a topic as important as this, you would want to be putting an adaptive plan in place. Surely there are some serious consequences, and we must know where the government is going. People should have the ability to comment on the plans that would be put forth by the government and highlight areas that they might have missed.

We talk about some very serious issues, whether it would be flooding, as Mr. Tabuns said, drought or some of the other issues that will be on our doorstep quicker than we would like to think. We need some clarity around that. So I would like to support this amendment.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Peter Tabuns:** Just a recorded vote.

**The Chair (Mr. Grant Crack):** We can do that. There being no further discussion, there has been a request for a recorded vote on NDP motion number 16.

### Ayes

McDonnell, Tabuns, Thompson.

### Nays

Hoggarth, Malhi, McGarry, McMahon, Potts.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 16 defeated.

We shall move to section 9. We have NDP motion number 17, which amends subsection 9(3), paragraph 3. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that paragraph 3 of subsection 9(3) of the bill be struck out and the following substituted:

“3. A person who imports petroleum products into Ontario for consumption or who supplies petroleum products for consumption in Ontario and who satisfies such other criteria as may be prescribed by regulation.”

Chair, the bill already provides in 3.1 that a person, meaning a company likely, who imports electricity into Ontario has to take account of the greenhouse gas emissions that are connected to the production of that electricity. It’s meant to ensure that our coverage is comprehensive, but it also actually addresses in some

ways the whole question of carbon leakage, the movement of production of a good or service outside Ontario.

When I've talked to people in the oil-refining industry, one of the concerns they have is that with cap-and-trade in place in Ontario, there may be the potential for American refineries to try to displace Canadian products. This amendment is meant to ensure that all petroleum products that are used in Ontario reflect the same greenhouse gas emission control regulations so that there's competitive equality and so that we in Ontario won't see the movement of industry outside of our jurisdiction.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** We view this as somewhat redundant because the greenhouse gas emissions reporting regulation already captures the importance of domestic production of petroleum products. Therefore, it's not necessary at this point.

**The Chair (Mr. Grant Crack):** Mr. Tabuns?

**Mr. Peter Tabuns:** I'm just curious about the government's position. They may or may not answer the question, but where is the greenhouse gas emissions from imported petroleum products—let's say, from Michigan—captured in this bill?

**Mr. Arthur Potts:** It's my understanding that the provisions currently in the bill do just that. I'd be happy to get back to you with more detail on that later, but I believe it's there.

**Mr. Peter Tabuns:** I'd be very curious as to which sections of the bill apply.

**The Chair (Mr. Grant Crack):** Further discussion?

There being none, I shall call for the vote on motion 17—

**Mr. Peter Tabuns:** A recorded vote, please.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McDonell, McGarry, McMahan, Potts, Thompson.

**The Chair (Mr. Grant Crack):** I declare NDP motion 17 defeated.

We shall move to NDP motion 18. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 9(3) of the bill be amended by adding the following paragraph:

“3.1. A person who imports steel into Ontario for consumption or who supplies steel products for consumption in Ontario and who satisfies such other criteria as may be prescribed by regulation.”

Again, the big question here is border carbon leakage. We've already seen US Steel buying up steelworks in Hamilton as a way of getting rid of a competitor, shutting them down. I wouldn't be surprised if we see other aggressive action by American steel companies. Certain-

ly, if you look at steel that's imported into Ontario from Turkey—Turkey isn't covered by a cap-and-trade regime. Its steel sells for a much lower price than Ontario steel. In fact, it's heavily used by the government of Ontario for infrastructure. If we're going to put in place a cap-and-trade system and try to reduce the amount of carbon generated by Ontario industries, we actually have to ensure that they are not put at a competitive disadvantage with steel and other products coming from other jurisdictions. That's the reason for this initiative.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** We take this issue very seriously and are working with the federal government in order to make the proper approach for border carbon captures and adjustments. We will address the issue through the cap-and-trade program design. It is a concern and we are working on trying to solve it. But this is not the place. It's an international trade issue that we need to deal with the feds on.

**The Chair (Mr. Grant Crack):** Mr. Tabuns?

**Mr. Peter Tabuns:** It may be an international trade issue, but we actually have the instrument in our hands to do something about it. Things may or may not be successful in dealing with the federal government in years to come, but we're in a position right now to amend this bill in a way that's consistent with the position already taken by the government on the imports of electricity, and protect Ontario steel production. I think it's something that would be appreciated by Sault Ste. Marie, Hamilton, Nanticoke and, frankly, all of those producers in Ontario who rely on domestic steel.

1510

**The Chair (Mr. Grant Crack):** Further discussion?

There being none, I shall call for the vote on NDP motion number 18.

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote. I shall call the vote.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McDonell, McGarry, McMahan, Potts, Thompson.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 18 defeated.

We shall move to NDP motion number 19, which is an amendment to subsection 9(3), new paragraph 5. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 9(3) of the bill be amended by adding the following paragraph:

“5. A person who imports cement into Ontario for consumption or who supplies cement products for consumption in Ontario and who satisfies such other criteria as may be prescribed by regulation.”

Again, Chair, the same argument that I made about steel and petroleum products—we have a very large cement industry. There's a very large, competitive production sector outside of Ontario that would be very happy to move into Ontario and supply its products here. My understanding is that British Columbia had difficulty with their cement industry with their carbon tax that, in fact, led them to provide substantial financial support to their cement industry.

I would say that it's to our advantage to protect Ontario's cement, and putting in place a regulation along these lines would be useful to do that—not a regulation, but an amendment to the bill.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 19.

**Mr. Peter Tabuns:** Recorded.

**The Chair (Mr. Grant Crack):** A request has been made for a recorded vote. I shall call the vote.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McDonell, McGarry, McMahon, Potts, Thompson.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 19 defeated.

We shall move to NDP motion number 20, which is an amendment to subsection 9(3), new paragraph 6.

**Mr. Peter Tabuns:** I move that subsection 9(3) of the bill be amended by adding the following paragraph:

“6. A person who imports automobiles or auto parts into Ontario for consumption or who supplies automobiles or auto parts for consumption in Ontario and who satisfies such other criteria as may be prescribed by regulation.”

Chair, effectively the same arguments as I've made for steel, cement and petroleum products—I'd just note that we have large numbers of auto parts manufacturers in Ontario. They are going to have to deal with higher energy prices. To the extent that we can give them some shelter and protection so that they aren't disadvantaged competitively with producers in Mexico or the United States, we'll have done places like Windsor, Oshawa and large swaths of southern Ontario a favour, and not just a favour; we will have treated them with respect.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote.

**Mr. Peter Tabuns:** Recorded.

**The Chair (Mr. Grant Crack):** At the request, a recorded vote.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McGarry, McMahon, Potts.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 20 defeated.

We shall move to NDP motion number 21, which is an amendment to subsection 9(3), new paragraph 7.

**Mr. Peter Tabuns:** “7. A person who imports mined products or pulp and paper into Ontario for consumption or who supplies mined products or pulp and paper for consumption in Ontario and who satisfies such other criteria as may be prescribed by regulation.”

I think I've made my arguments in the other amendments. I think, again, it's an approach that will be of importance to those large swaths of Ontario that support pulp and paper industries or mining.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Tabuns. Further discussion? There being none, I shall call the vote on NDP motion number 21.

**Mr. Peter Tabuns:** Recorded.

**The Chair (Mr. Grant Crack):** At the request, a recorded vote.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McGarry, McMahon, Potts.

**The Chair (Mr. Grant Crack):** I declare NDP motion 21 defeated.

We shall move to government motion 21.1, which is an amendment to subsection 9(6). Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 9(6) of the bill be struck out.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts. Further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** Why?

**The Chair (Mr. Grant Crack):** Mr. Potts?

**Mr. Arthur Potts:** It's become redundant and unnecessary, so we're taking it out.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts. Ms. Thompson?

**Ms. Lisa M. Thompson:** The way we see it, this particular motion would remove the responsibility to retain emission records for people who are required to report emissions, so, to Mr. Tabuns point: Why?

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts?

**Mr. Arthur Potts:** As I said, it has become redundant because paragraph 9.2 of subsection 75(1) takes over this function for us.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts.

Further discussion? Mr. McDonell?

**Mr. Jim McDonell:** Yes. We're somewhat skeptical of amendments like this to a bill that people have seen and commented on and all of a sudden we see sections crossed out. This one here, where you're looking at emissions where people will be penalized and we're trying to put together a plan that's all encompassing and now we're not keeping records—it just makes it a little bit odd.

Again, it's a "trust us" type of thing and we've seen time and time again that anybody who has trusted this government has ended up paying the penalties.

**The Chair (Mr. Grant Crack):** Thank you very much, Mr. McDonell.

Further discussion? There being none, I shall call for the vote.

Those in favour of government motion 21.1? Those opposed? I declare government motion 21.1 carried.

To the members of the committee, we have one amendment to section 9. Section 9 is amended. Any further discussion on the amended section 9 before I call the vote? There being none, I shall call the vote.

Shall section 9, as amended, carry? Those in favour? I declare section 9, as amended, carried.

We shall move to section 10, government motion 21.2, which is an amendment to subsection 10(1). Mr. Potts?

**Mr. Arthur Potts:** Yes, sir. I move that subsection 10(1) of the bill be struck out and the following substituted:

"Duty to report

"Emissions during activities

"(1) This section applies, in such circumstances as may be prescribed, to a person who is required by subsection 9(1) to quantify the amount of greenhouse gas that is emitted during a prescribed activity at a prescribed facility during a prescribed period."

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts. Further discussion? Mr. Potts?

**Mr. Arthur Potts:** Yes, the motion is being introduced by the necessary flexibility of the greenhouse gas reporting program's different thresholds for different classes of capped emitters.

**The Chair (Mr. Grant Crack):** Ms. Thompson?

**Ms. Lisa M. Thompson:** Well, the way we see it, this particular motion would force all companies to quantify emissions even if they didn't surpass the required threshold. Time and time again when we've met with stakeholders, they have cautioned against growing an unnecessarily bloated bureaucracy and they're concerned about the amount of red tape that will follow.

We feel that this government should be working with larger emitters to help them lower their GHGs as opposed to burdening all businesses with yet more red tape.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion? There being none, I shall call for the vote on government motion 21.2.

Those in favour? Those opposed? I declare government motion 21.2 carried.

We shall move to government motion 21.3, which is an amendment to subsections 10(4), (5) and (6). Mr. Potts?

**Mr. Arthur Potts:** Thank you, Chair. I move that subsections 10(4), (5) and (6) of the bill be struck out and the following substituted:

"Revised reports

"(4) The person shall revise a report and give the revised report to the director in the following circumstances:

"1. The director is of the opinion that the report has not been prepared in accordance with this act or the regulations.

"2. Such other circumstances as may be prescribed by regulation.

"Contents, etc.

"(5) A report under this section shall contain such information as may be prescribed, and such additional information as the director may request, and shall be prepared and submitted in accordance with this act and the regulations."

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts?

**Mr. Arthur Potts:** Yes. This motion will provide the director with the authority to require emissions reports to be revised and to request additional information to support their review.

We think it's a necessary amendment at this point.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote on government motion 21.3.

Those in favour? Those opposed? I declare government motion 21.3 carried.

**1520**

There were two amendments to section 10 that carried, so section 10 is amended. Any discussion on the section? There being none, I shall call the vote.

Shall section 10, as amended, carry? Those in favour? I declare section 10, as amended, carried.

We shall move to section 11. There is one amendment, government motion 21.4, which is an amendment to section 11. Mr. Potts?

**Mr. Arthur Potts:** I move that section 11 of the bill be struck out and the following substituted:

"Duty to verify

"11(1) This section applies, in such circumstances as may be prescribed, to a person who is required by section 10 to give the director one or more reports with respect to greenhouse gas emissions relating to a prescribed activity during a prescribed period.

"Same

"(2) The person shall have prescribed reports under section 10 verified in accordance with the regulations by a person who is authorized by regulation to do so."

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** The motion is being introduced to provide for various circumstances in which verification of emission reports is required to maintain program integrity and ensure emission amounts are reliable.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** We're opposing this. We're concerned because we see, too often, government inspectors requiring regulations that aren't posted, aren't published, even though they may go against engineering reports. Really, if regulations are so important, they should be published so that people know what they're designing to. We just worry about the ability to walk into these businesses, on a whim, sometimes, as we've seen in the past, and just demand certain requirements. It's very hard for small businesses to react to these. Most times, they just have to give in, whether they make sense or not.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 21.4.

Those in favour? Those opposed? I declare government motion 21.4 carried.

There is one amendment to section 11. Discussion? There being none, shall section 11, as amended, carry? Those in favour? I declare section 11 carried.

We'll move to section 12, government motion 21.5, which is an amendment to section 12. Mr. Potts?

**Mr. Arthur Potts:** I move that section 12 of the bill be struck out and the following substituted:

"Information request by director

"12(1) The director may ask a person to provide information described in subsection (2) to the director for the purposes of,

"(a) assessing whether a person may be required to comply with section 9, 10 or 11;

"(b) reviewing any record required to be kept or submitted for the purposes of section 9, 10, 11 or 13 or that is required to be prepared in relation to any of those sections; or

"(c) making a determination under subsection 13(2).

"Information

"(2) The information that may be requested under subsection (1) is such information as may be specified in the regulations or as may be specified by the director.

"Duty to comply with request

"(3) The person shall comply with the director's request, in the manner and within the period specified by the director.

"Duty to provide assistance

"(4) Subsections 39(8) and 40(1) and (2) apply, with necessary modifications, with respect to a request by the director under this section."

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** Yes. Again, the motion is being introduced to provide the necessary flexibility to deliver the reporting and cap-and-trade program in accordance with the proposed design.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote on government motion 21.5.

Those in favour? Those opposed? I declare government motion 21.5 carried.

Section 12 is amended with that one amendment. Any discussion? There being none, I shall call the vote.

Shall section 12, as amended, carry? Those in favour? I declare section 12, as amended, carried.

We shall move to section 13 with government motion number 21.6. Mr. Potts?

**Mr. Arthur Potts:** I move that section 13 of the bill be struck out and the following substituted:

"Attribution of emissions

"13(1) For the purposes of this act, the amount of greenhouse gas emissions relating to a prescribed activity during a prescribed period that is attributed to a person is the amount prescribed by the regulations or determined in accordance with the regulations.

"Same

"(2) Despite subsection (1), in prescribed circumstances, the amount of greenhouse gas emissions shall be determined by the director in accordance with the regulations.

"Opportunity to be heard

"(3) If the director proposes to determine the amount of greenhouse gas emissions to be attributed to a person, the director shall give the person notice of the proposal in accordance with the regulations and shall, in accordance with the regulations, give the person an opportunity to be heard."

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** This motion ensures that the integrity of the cap is maintained while corrections are made, if possible, to emission amounts.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** We agree with this motion, but we think the government should go further instead of waiting to do the consulting. At this point, we think that the consulting should have been done already, especially on the agricultural side where, basically, we see decisions being levied on them before the groups really had a chance to consult and put a business case back towards this government.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 21.6.

Those in favour? Those opposed? I declare government motion 21.6 carried.

We shall deal with section 13. There was one amendment, which just passed. Any discussion on section 13, as amended? There being none, I shall call the vote.

Shall section 13, as amended, carry? I declare section 13, as amended, carried.

**The Chair (Mr. Grant Crack):** Mr. McDonell.

**Mr. Jim McDonell:** Seeing as it is about halfway through, could we have a five-minute recess?

**The Chair (Mr. Grant Crack):** We'll be halfway through at 4 o'clock.

There has been a request for a five-minute recess.

*Interjections.*

**The Chair (Mr. Grant Crack):** I thank you for the request. It has been granted. There will be a five-minute recess.

*The committee recessed from 1527 to 1535.*

**The Chair (Mr. Grant Crack):** Let's get back to work, everybody. Stop slugging off; let's get back to work. All right, thank you very much. I hope everyone enjoyed your five-minute break.

We are going to move on to the cap-and-trade program, which begins at section 14.

We have a government motion number 21.7. Ms. Hoggarth.

**Ms. Ann Hoggarth:** We're going to withdraw the amendment.

**The Chair (Mr. Grant Crack):** Thank you very much. The government has withdrawn government motion 21.7.

We shall move to government motion 21.8. Ms. Hoggarth.

**Ms. Ann Hoggarth:** We will be withdrawing motion 21.8 as well.

**The Chair (Mr. Grant Crack):** I declare government motion 21.8 withdrawn, as per the request of the government member.

We shall move to government motion 21.9, which is a new subsection 14(10). Mr. Potts.

**Mr. Arthur Potts:** I move that section 14 of the bill be amended by adding the following subsection:

“Interpretation re prosecutions

“(10) For greater certainty, the consequences that may arise under subsections (7) and (8) do not affect the prosecution of an offence for a failure to comply with subsection (1).”

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** It's a technical amendment to ensure that those prosecuted for a failure to comply with section 14(1), despite the imposition of the consequences, have to submit additional allowances under (7).

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? There being none, I shall call the vote on government motion 21.9.

Those in favour? Those opposed? I declare government motion 21.9 carried.

In section 14, there is one amendment, which just passed. Is there any discussion on section 14, as amended? There being none, I shall call for the vote.

Shall section 14, as amended, carry? Those in favour? I declare section 14, as amended, carried.

We shall move to section 15. There's one amendment, government motion 21.10. Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 15(1) of the bill be struck out and the following substituted:

“Mandatory participants: registration

“(1) A person who satisfies such criteria as may be prescribed by regulation is required to register as a mandatory participant in the cap and trade program under this act.”

**The Chair (Mr. Grant Crack):** Thank you very much, Mr. Potts. Further discussion?

**Mr. Arthur Potts:** It just provides the necessary flexibility to deliver the reporting of the cap-and-trade program.

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? There being none, I shall call for the vote on government motion 21.10.

Those in favour? Those opposed? I declare government motion 21.10 carried.

Section 15 has been amended with that one just-passed amendment. Is there any discussion on section 15, as amended? There being none, I shall call for the vote.

Shall section 15, as amended, carry? Those in favour? Those—

**Ms. Lisa M. Thompson:** Chair?

**The Chair (Mr. Grant Crack):** Yes, Ms. Thompson?

**Ms. Lisa M. Thompson:** I'd like to call for a 20-minute recess.

**The Chair (Mr. Grant Crack):** I would have entertained it, but I had already called for in favour, and there was an opposed. When you're in the middle of a vote, I can't stop that. I would have certainly entertained it when I had said, “I shall call for the vote.” So I apologize, but that's the rules.

**Ms. Lisa M. Thompson:** That's okay.

**The Chair (Mr. Grant Crack):** Okay. Shall section 15, as amended, carry? I believe that we had those in favour, and I was calling for those opposed.

I then declare section 15, as amended, carried.

We shall move to section 16. There is a government motion 21.11, which is an amendment to subsection 16(1). Mr. Potts.

**Mr. Arthur Potts:** In the interest of being sensitive, does the member still need a 20-minute break?

**Ms. Lisa M. Thompson:** Thank you.

**Mr. Arthur Potts:** Do you need one?

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

**Mr. Arthur Potts:** I would be happy to entertain a motion to have a 20-minute break at this point.

**The Chair (Mr. Grant Crack):** Am I getting an official request for a 20-minute recess? So I can do that. I will entertain that prior to the vote, but if I'm in the process of saying, is there a—

**Mr. Arthur Potts:** No, I appreciate that.

**Mr. Grant Crack:** I prefer for you to read it into the record.

**Mr. Arthur Potts:** Now that the vote is over, if that's something that you want me to do, we're very receptive. I wouldn't want to stand in the way of a member's prerogative.

**The Chair (Mr. Grant Crack):** There are two opportunities to have a recess of varying lengths, up to 20 minutes. One of them is prior to a vote, which was just requested, but I had to deny. The other is, does the committee agree to a recess, and for how long would you like to recess?

**Ms. Lisa M. Thompson:** Twenty minutes?

**The Chair (Mr. Grant Crack):** I have a request now for a 20-minute recess. Is it the will of the committee to have a recess for 20 minutes? Any opposition? Then I declare a 20-minute recess effective immediately.

*The committee recessed from 1540 to 1600.*

**The Chair (Mr. Grant Crack):** Good afternoon, everyone. I'd like to call the meeting back to order after a 20-minute recess. I hope everyone is well.

We shall continue our good work on section 16. We'll move to government motion number 21.11, which is an amendment to subsection 16(1).

**Mr. Arthur Potts:** I move that subsection 16(1) of the bill be struck out and the following substituted:

"Voluntary participants: registration

"(1) A person who satisfies such criteria as may be prescribed by regulation may apply to the director in accordance with the regulations for registration as a voluntary participant in the cap and trade program under this act."

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** The motion is being introduced to provide necessary flexibility. Again, it's somewhat of a technical amendment.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote.

Shall government motion 21.11 carry? Those in favour? Those opposed? Government motion 21.11 is carried.

We have one amendment, which just passed, to section 16. Further discussion on section 16, as amended? There being none, I shall call the vote.

Shall section 16, as amended, carry? Those in favour? I declare section 16, as amended, carried.

We shall move to section 17. There are no amendments. Any discussion on section 17? There being none, I shall call the vote.

Shall section 17 carry? Those in favour? I declare section 17 carried.

We shall move to section 18. There is one amendment, which is government motion 21.12.

**Mr. Arthur Potts:** I move that section 18 of the bill be amended by adding the following subsection:

"Other duties

"(2.1) Without limiting the generality of subsection (1), the conditions of registration as a mandatory or voluntary participant may include a requirement to give reports to the director and have the reports verified in accordance with the regulations by a person who is authorized by regulation to do so."

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** The motion is being introduced to provide participants with notice of a proposal to refuse a participant's request to cancel the registration and an opportunity to provide comments on that proposal.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote on government motion 21.12.

Shall the motion carry? Those in favour? I declare government motion 21.12 carried.

Section 18 is amended with that one amendment. Any discussion on section 18, as amended? There being none, I shall call the vote.

Shall section 18, as amended, carry? I declare section 18 carried.

We shall move to section 19. There are no amendments. Any discussion on section 19? There being none, I shall call the vote.

Shall section 19 carry? I declare section 19 carried.

We shall move to section 20 and government motion 21.13, proposing new subsection 20(2.1).

**Mr. Arthur Potts:** I move that section 20 of the bill be amended by adding the following subsection:

"Opportunity to be heard

"(2.1) If the director proposes to refuse a participant's request under subsection (1) or (2), the director shall give the applicant notice of the proposal in accordance with the regulations and shall, in accordance with the regulations, give the applicant an opportunity to be heard."

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** Again, it's technical, to make it all work.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Jim McDonell:** It looks like a lot of technicalities to clean up. We're just wondering if this actually cleans it up and makes it worthy of a bill that really has a big impact on Ontario in the future.

**The Chair (Mr. Grant Crack):** Thank you very much.

Any further discussion? Mr. Potts.

**Mr. Arthur Potts:** We have some very smart lawyers working on that and making sure that we get it right as it goes to committee. We appreciate their hard work.

**The Chair (Mr. Grant Crack):** Any further discussion? Ms. Thompson.

**Ms. Lisa M. Thompson:** Again, we certainly saw the impact of a rushed bill like the Green Energy Act, so it's nice to see this government taking time to clean up Bill 172.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote on government motion 21.13.

Those in favour of government motion 21.13? Those opposed? I declare government motion 21.13 carried.

Section 20 has that one amendment which just carried. Is there any discussion on the section, as amended? There being none, I shall call the vote on section 20, as amended.

Those in favour? I declare section 20, as amended, carried.

We shall move to section 21, which is "Cap and Trade Accounts and Transactions." Government motion number 21.14: Mr. Potts.

**Mr. Arthur Potts:** I move that section 21 of the bill be struck out and the following substituted:

"Prohibition, transactions by unregistered persons

"21(1) No person other than a registered participant shall purchase, sell, trade or otherwise deal with emission allowances and credits.

"Prohibition, transactions with unregistered persons, etc.

"(2) No registered participant shall,

"(a) purchase emission allowances and credits from a person who is not,

“(i) a registered participant, or

“(ii) a person who is permitted by a prescribed jurisdiction to purchase, sell, trade or otherwise deal with emission allowances and credits;

“(b) sell emission allowances and credits to a person who is not a person described in subclause (a)(i) or (ii); or

“(c) trade or otherwise deal with emission allowances and credits with a person who is not a person described in subclause (a)(i) or (ii).

“Prohibition, transactions prohibited etc. under conditions of registration

“(3) No registered participant shall purchase, sell, trade or otherwise deal with emission allowances and credits except in accordance with this act, the regulations and the conditions of the participant’s registration.

“Exceptions

“(4) Subsection (1) does not apply to the minister, the director and such other persons as may be prescribed.

“Same

“(5) Subsection (1) does not apply to a person who is permitted by a prescribed jurisdiction to purchase, sell, trade or otherwise deal with emission allowances and credits.”

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** The motion introduces a prohibition that ensures that purchasing, selling, trading and otherwise dealing with credits only takes place between registered participants in Ontario or in prescribed—i.e. linked—jurisdictions.

**The Chair (Mr. Arthur Potts):** Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** Just a clarification on the director or other persons who may be prescribed: Are there any details around who gets to be prescribed—other than people who donate money to the party?

*Interjection.*

**The Chair (Mr. Grant Crack):** Any further discussion? There being none, I shall call for the vote on government motion 21.14.

Those in favour? Those opposed? I declare government motion 21.14 carried.

We shall move to government motion 21.15. Mr. Potts.

**Mr. Arthur Potts:** We would like to withdraw that motion.

**The Chair (Mr. Grant Crack):** Government motion 21.15 is withdrawn.

Government motion 21.16, which is an amendment to subsection 21(4): Mr. Potts.

**Mr. Arthur Potts:** We would also like to withdraw that motion, Chair.

**The Chair (Mr. Grant Crack):** I declare government motion 21.16 withdrawn, as per the request.

We shall deal with section 21. There was one amendment. Is there any discussion on section 21, as amended? There being none, I shall call the vote on section 21, as amended.

Those in favour? I declare section 21, as amended, carried.

We shall move to section 22. There are no amendments. Any discussion on section 22? There being none, I shall call the vote.

Shall section 22 carry? I declare section 22 carried.

We have a proposed new section, 22.1, which is government motion 21.17. Mr. Potts.

**1610**

**Mr. Arthur Potts:** I move that the bill be amended by adding the following section:

“Recognition as account agent

“Application

“22.1(1) A person who satisfies such eligibility criteria as may be prescribed may apply to the director in accordance with the regulations for recognition as an account agent.

“Same

“(2) An applicant shall give the director such information as may be required by regulation and such additional information as may be required by the director for the purposes of the application.

“Director’s duty to recognize

“(3) Upon receiving the application, information and any applicable fee, the director shall recognize the applicant if the director determines that the applicant satisfies the applicable eligibility criteria.

“Conditions of recognition

“(4) An individual who is recognized shall comply with such conditions of recognition as may be imposed by regulation.

“Refusal of recognition

“(5) Despite subsection (3), the director may refuse to recognize the applicant if the director is of the opinion that the applicant should not be recognized, having regard to such circumstances as may be prescribed and such other matters as the director considers appropriate.

“Cancellation of recognition

“(6) The director may cancel the recognition of an account agent, in accordance with the regulations, in such circumstances as may be prescribed.”

**The Chair (Mr. Grant Crack):** Thank you very much, Mr. Potts. Further discussion?

**Mr. Arthur Potts:** Yes. The motion is being introduced to clarify the provisions related to recognition of account agents, which was not in the original bill, and with the addition of a provision where the director can apply the conditions necessary to recognize account agents.

**The Chair (Mr. Grant Crack):** Further discussion? Ms. Thompson.

**Ms. Lisa M. Thompson:** I actually would very much appreciate further explanation as to why they’re pulling so much authority, if you will, into one role in terms of the director. I look forward to hearing what the government has to say.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** The account agents provide a necessary bridge between the traders and the purchasers.

The director, through regulations, as prescribed, would be able to approve the recognition. It helps the whole process function much more efficiently.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Jim McDonell:** I'm a little concerned because this really is an arbitrary determination of the director. There's no published requirements that an applicant has to satisfy. It talks about, really—in the opinion of the director. It leaves it open to abuse. We're somewhat concerned with that.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote on government motion number 21.17.

Those in favour? Those opposed? I declare government motion 21.17 carried.

We shall move to section 23.

**Mr. Arthur Potts:** Chair?

**The Chair (Mr. Grant Crack):** Point of order?

**Mr. Arthur Potts:** I'd like to just ask the Clerk for clarification. This was a new section. Do we not, then, vote on this section, 22.1?

**The Chair (Mr. Grant Crack):** It is just a motion which creates the new section, so it would be redundant to do it again.

**Mr. Arthur Potts:** Okay, thank you.

**The Chair (Mr. Grant Crack):** You're welcome.

Section 23: There is one amendment, government motion 21.18. Mr. Potts.

**Mr. Arthur Potts:** Yes, it is just one amendment. It's a little lengthy. Let me read it out to you.

**The Chair (Mr. Grant Crack):** That would be wonderful.

**Mr. Arthur Potts:** I move that section 23 of the bill be struck out and the following substituted:

“Designation of account agents

“Who may be designated

“23(1) A registered participant may designate an individual as an account agent of the participant if the individual is recognized under section 22.1 and meets such other criteria as may be prescribed with respect to the class of account agent.

“Same

“(2) A registered participant may designate an individual as an account agent of the participant if the individual is authorized by a prescribed jurisdiction to perform a similar function under a corresponding program of that jurisdiction.

“Powers and duties

“(3) The designated account agent may exercise such powers and shall perform such duties as may be specified by regulation with respect to the cap and trade accounts of the registered participant.

“Classes of agents

“(4) Regulations may establish different classes of designated account agents and may assign different powers and duties to each class.

“Same

“(5) Regulations may require registered participants to designate one or more account agents in each class and

may restrict the number of agents in each class that may be designated by a registered participant.

“Powers deemed to be exercised, etc. by registered participant

“(6) While a designated account agent is exercising powers and performing duties with respect to a registered participant's cap and trade accounts, all representations, acts, errors or omissions of the agent are deemed to be those of the registered participant.”

**The Chair (Mr. Grant Crack):** Thank you very much; well read. Any further discussion? Mr. Potts.

**Mr. Arthur Potts:** Let's just say that it's nice to have experts to assist in assisting with participants in their activities.

**The Chair (Mr. Grant Crack):** Mr. McDonell?

**Mr. Jim McDonell:** Yes, I'm just a little concerned about the level of bureaucracy it adds. There seem to be a lot of “mays”—in the opinion of the government. Again, we see another area where published qualifications would be a lot further ahead to qualifying just who can and who can't be an expert. Who is to say? We have many places where they don't accept the information from experts. In a case like this they're going to decide quite arbitrarily who they like to hear from and who they don't. It's somewhat of concern.

**The Chair (Mr. Grant Crack):** Ms. Thompson?

**Ms. Lisa M. Thompson:** I'm wondering if the government could further explain subsection 23(1): “A registered participant may designate an individual as an account agent of the participant if the individual is recognized under section 22.1 and meets such other criteria as may be prescribed with respect to the class account agent.”

Can you drill down on that a little bit further, and speak to possibly the three different types of participants?

**The Chair (Mr. Grant Crack):** Mr. Potts?

**Mr. Arthur Potts:** Subsection 23(1) simply takes the pre-qualifications in 22 and allows them then to prescribe the duties under 23. It's not rocket science; they're just bringing people who have expertise into the equation, into the fold, to make the whole thing run more smoothly.

**The Chair (Mr. Grant Crack):** Ms. Thompson.

**Ms. Lisa M. Thompson:** Okay, so we have voluntary participants, non-voluntary participants and market participants who have been defined to be organizations or groups such as NGOs, banks etc.

With regard to 23(3):

“Powers and duties

“(3) The designated account agent may exercise such powers and shall perform such duties as may be specified by regulation with respect to the cap and -trade accounts of the registered participant.”

We worry about the extended opportunities to the market participants that may start, for example, retiring credits.

I'd really appreciate the government to drill down on this a little bit more and convince us that they will not

disrespect or go beyond the powers and duties, as set out in this particular motion.

**The Chair (Mr. Grant Crack):** Mr. Potts?

**Mr. Arthur Potts:** They're just acting as representatives of a participant. They're just an agent. They have all the same responsibilities of the participant. It's no rocket science—like a lawyer representing his client.

**The Chair (Mr. Grant Crack):** Mr. McDonell?

**Mr. Jim McDonell:** I know that the member opposite talks about prescribed under 22.1, but then also adds "other criteria as may be prescribed with respect...." The "may be prescribed" doesn't really bring it back to 22.1. You somewhat wonder just what qualifications they're going to require when they are not published but just at the whim of the director or whoever is making the decision.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 21.18.

Those in favour? Those opposed? I declare government motion 21.18 carried.

As such, section 23 is amended with that one amendment. Is there any discussion on section 23 as amended? If not, I shall call the vote.

Shall section 23, as amended, carry? I declare section 23, as amended, carried.

1620

We shall move to section 24. There is government motion 21.19, which amends subsection 24(1). Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 24(1) of the bill be amended by striking out "recognized account agent" and substituting "designated account agent".

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion on the motion?

**Mr. Arthur Potts:** It just clarifies the terminology we want to use throughout.

**The Chair (Mr. Grant Crack):** Further discussion?

**Ms. Lisa M. Thompson:** On this side of the table in terms of the PC Party of Ontario, I'd just like to paraphrase and make sure that people reading the Hansard understand that while the government is using the word "clarify," we fully understand and see through this that they're cleaning up a number of mistakes in this particular bill.

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? There being none, I shall call for a vote on government motion 21.19.

Those in favour? Those opposed? I declare government motion 21.19 carried.

We shall move to government motion 21.20. Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 24(2) of the bill be amended by striking out "recognized account agent" and substituting "designated account agent".

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** Same rationale.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts. Any further discussion? There being none, I shall call for a vote on government motion 21.20.

Shall government motion 21.20 carry? There are none opposed. Government motion 21.20 is carried.

We shall move to government motion 21.21. Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 24(3) of the bill be amended by striking out "recognized account agent" and substituting "designated account agent".

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** Same rationale.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts. Ms. Thompson?

**Ms. Lisa M. Thompson:** I'm curious. We're hearing a lot of "same rationale." I would like to hear further explanation as to why the government needs to clarify these mistakes.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** We need only have you go back to the previous section and you'll see that the terminology is now being made consistent.

**Ms. Lisa M. Thompson:** Okay.

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? There being none, I shall call for the vote on government motion 21.21.

Those in favour? Those opposed? I declare government motion 21.21 carried.

We shall move to government motion 21.22. Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 24(4) of the bill be amended by striking out "recognized account agent" and substituting "designated account agent".

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 21.22.

Those in favour? Those opposed? I declare government motion 21.22 carried.

We shall move to government motion 21.23, which amends subsection 24(5). Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 24(5) of the bill be amended by striking out "recognized account agent" and substituting "designated account agent".

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? There being none, I shall call the vote.

Shall government motion 21.23 carry? Those in favour? Those opposed? I declare government motion 21.23 carried.

Government motion 21.24, which amends subsection 24(6): Mr. Potts?

**Mr. Arthur Potts:** I move that subsection 24(6) of the bill be amended by striking out "recognized account agent" and substituting "designated account agent".

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts. Further discussion? There being none, I shall call the vote.

Shall government motion 21.24 carry? Those in favour? Those opposed? I declare government motion 21.24 carried.

We shall move to government motion 21.25. Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 24(7) of the bill be amended by striking out “recognized account agent” and substituting “designated account agent”.

**The Chair (Mr. Grant Crack):** Further discussion? Ms. Thompson.

**Ms. Lisa M. Thompson:** I would very much appreciate it if the government could go back to the previous section and point out exactly where this clarification will be impacted, just for the purpose of Hansard and people reading along. Is that possible?

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 21.25.

Those in favour? Those opposed? I declare government motion 21.25 carried.

Section 24 had a number of amendments. Is there any discussion on section 24, as amended? There being none, I shall call for the vote.

Shall section 24, as amended, carry? Those in favour? I declare section 24, as amended, carried.

We shall move to section 25. There are no amendments. Any discussion on section 25? There being none, I shall call the vote.

Shall section 25 carry? Those in favour? I declare section 25 carried.

We shall move to section 26. We have PC motion 21.25.1, which is an amendment to subsection 26(3). Mr. McDonell.

**Mr. Jim McDonell:** Yes, we’re withdrawing that because it is a duplicate.

**The Chair (Mr. Grant Crack):** Okay, so as per the request of the official opposition, PC motion 21.25.1 is withdrawn.

We have PC motion 21.25.2, which is an amendment to subsection 26(3). Ms. Thompson.

**Ms. Lisa M. Thompson:** I would like to draw everyone’s attention to the fact that we’ll withdraw that in lieu of 21.25.3.

**The Chair (Mr. Grant Crack):** There has been a request to withdraw, which, of course, is granted. So PC motion 21.25.2 is withdrawn.

That will take us to PC motion 21.25.3, which is an amendment to subsection 26(3). Just for clarification, everyone, it’s not in your big package; that one is in your little separate package. Who would like to read that? Ms. Thompson.

**Ms. Lisa M. Thompson:** I move that subsection 26(3) of the bill be struck out and the following substituted:

“Notice

“(3) The minister or the director shall notify the registered participant before removing emission allowances and credits from the participant’s cap and trade accounts.”

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? Ms. Thompson.

**Ms. Lisa M. Thompson:** With something of this significance, we feel that the minister should have the responsibility to notify companies in terms of the emission allowance before anything gets removed. That goes

the same for credits as well. If emission allowances or credits are removed from anyone’s account, this is pretty significant. Therefore, we feel that it behooves the minister or director to reach out to that particular company.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** Yes, we’ll be voting against this. It’s absolutely important as a process of the enforcement that we have this opportunity. In a case, for instance, where allowances were removed as part of an enforcement action, if notice were given, the non-compliant entity could simply just remove their allowances from their account and you’d lose that opportunity. So we’ll have to vote against this.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** I think, if you review, that we’re just asking that they actually be notified. I think that would only be what would be expected in something as important as this. If they have been approved and now you’re removing them, I think that would be the minimum that would be expected. I’m not saying the minister necessarily—

**Ms. Lisa M. Thompson:** The minister or the director.

**Mr. Jim McDonell:** —but the director who has been designated.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on PC motion 21.25.3.

Those in favour? Those opposed? I declare PC motion 21.25.3 defeated.

We shall move to government motion 21.26, which is an amendment to subsection 26(4). Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 26(4) of the bill be struck out and the following substituted:

“Reversal

“(4) The minister or director may reverse a transfer between cap and trade accounts if the transfer was made in error by the minister or director, as the case may be, or in such other circumstances as may be prescribed.”

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** The motion is being introduced to provide the ability to the director to reverse a trade in error to ensure that it’s properly administered in the program.

**The Chair (Mr. Grant Crack):** Further discussion? Ms. Thompson.

**Ms. Lisa M. Thompson:** I just think it’s ironic that our previous PC motion that was going to require the minister or director to notify a registered participant before removing emission allowances or credits from a participant’s cap-and-trade account was voted down, but meanwhile the minister or director can reverse transfers. The consistency of actions here is very much lacking in terms of the responsibility of those participants, the minister or the director. It’s too bad.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote on government motion 21.26.

Those in favour? Those opposed? I saw four hands go up there, so I'm going to declare it carried.

**Mr. Jim McDonell:** I didn't see four hands.

**Ms. Lisa M. Thompson:** I didn't see four hands.

**The Chair (Mr. Grant Crack):** I saw one, two, three and the last one. I didn't see his; he said no. Three hands didn't go up?

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

**The Chair (Mr. Grant Crack):** There's some confusion here, so I'm going to recall the vote.

Those in favour of government motion 21.26? Those opposed?

**Mr. Jim McDonell:** There, the trained seals are together.

**The Chair (Mr. Grant Crack):** I declare government motion 21.26 carried.

**Mrs. Kathryn McGarry:** Point of order.

**The Chair (Mr. Grant Crack):** Point of order, Mrs. McGarry.

**Mrs. Kathryn McGarry:** He was asking for a show of hands; we put our show of hands up. We don't need that kind of commentary. It's not very professional. Thank you.

**The Chair (Mr. Grant Crack):** That's not a point of order, but thank you.

We have one amendment to section 26, so section 26 is amended. Any further discussion on section 26? There being none, I shall call a vote.

Shall section 26, as amended, carry? I declare section 26, as amended, carried.

We shall move to section 27. We shall move to government motion 21.27, which is an amendment to subsection 27(1). Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 27(1) of the bill be struck out and the following substituted:

"Prohibitions re: cap and trade accounts

"Unauthorized transfer between accounts

"(1) No registered participant or designated account agent shall transfer an emission allowance or credit between the participant's cap and trade accounts in contravention of a requirement or restriction imposed under this act."

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** It just changes the designation, again, of "recognized account agent" with "designated account agent."

**Ms. Lisa M. Thompson:** I would actually like to call a 10-minute recess.

**The Chair (Mr. Grant Crack):** It's prior to the vote, so that's allowed. Is there further discussion on government motion 21.27? There being none, I would be calling the vote, but there has been a request for 10 minutes, so I shall grant the 10-minute recess, effective immediately.

*The committee recessed from 1632 to 1642.*

**The Chair (Mr. Grant Crack):** I'd like to call the meeting back to order. It has been 10 minutes.

We are on government motion 21.27. There was a request for a recess prior, which means that there is no

further discussion, so I shall call for the vote on government motion 21.27.

Those in favour? Those opposed? I declare government motion 21.27 as carried.

We shall move to government motion 21.28, which is an amendment to subsection 27(2). Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 27(2) of the bill be amended by striking out "registered participant" at the end and substituting "person".

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** The motion is being introduced to ensure that the rules about unauthorized holdings apply to all persons, rather than just registered participants. It expands that.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 21.28.

Those in favour? Those opposed? I declare government motion 21.28 carried.

There are two amendments to section 27. Therefore, section 27 is amended. Is there any discussion on the amended section? There being none, I shall call for a vote.

Shall section 27, as amended, carry? I did not hear any opposition, so section 27, as amended, is carried.

We shall move to section 28. There is a PC motion, 21.29, proposing new subsection 28(4.1). Ms. Thompson.

**Ms. Lisa M. Thompson:** We withdraw this.

**The Chair (Mr. Grant Crack):** There has been a request to withdraw, which is granted. PC motion 21.29 is withdrawn.

We shall move to PC motion 21.30, which is an amendment proposing new subsection 28(4.1). Ms. Thompson.

**Ms. Lisa M. Thompson:** I move that section 28 of the bill be amended by adding the following subsection:

"Reducing supply

"(4.1) A market participant shall not purchase an emission allowance for the purpose of reducing the supply of emission allowances."

**The Chair (Mr. Grant Crack):** Discussion?

**Ms. Lisa M. Thompson:** We feel very strongly about this. Again, when we sat through the ministry briefing, this jumped out at us. Bill 172 is probably one of the most influential pieces of legislation that is going to impact all Ontarians, some would argue in a negative way. For instance, the cost of home heating and gasoline is going to go up \$900 a year, by some stakeholders' measures, which is significant when all Ontario taxpayers already have shallow pockets because of electricity bills.

We feel very strongly that we need to be cognizant of who is going to be controlling credits and the opportunity for businesses to manage their emissions. When we have NGOs coming into the market and buying credits with the full purpose of retiring them, that just doesn't sit well with us. It's going to drive the cost of credits upward, we've heard from stakeholder after stakeholder. We need to be open for business in Ontario as opposed to setting

hurdle after hurdle. Again, businesses—stakeholders—are looking for stability and bankability, and when you allow people who aren't truly involved in reducing emissions to garner and take away credits from the marketplace, there are big concerns here. As I said, reducing the supply of allowances will make it even more costly and difficult for companies to meet the ceiling; to meet their caps.

I can't stress enough—this government has seen 300,000 manufacturing jobs leave this province—that we need to be doing everything we can to attract business as opposed to giving them every reason to pack their bags and get out of Ontario as quickly as possible.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** The member opposite talks about “open for business,” and then the recommendation is that they restrict the basis of people's trading on intent. It's an absolute legal quagmire to get to the intent of a purchase. It just doesn't happen.

I wish we had those free trade Conservatives back in the House, because it would be absolutely impossible to prove intent, and it would become such a legal nightmare. We'll be voting against this.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Jim McDonell:** I look at this and see companies buying allowances only not to use them and make sure they're not available to the market—very damaging, especially if you have companies that are, for whatever reason; I guess there's no shortage of reasons, under this government, why a manufacturer would have trouble competing. Now, somebody would be able to drive up the cost of allowances by reducing the number available or pull them out of the market so somebody else who needs them can't use them. I can see that as being very damaging for many companies. I guess I'd be somewhat concerned that we would allow people to manipulate the market to that extent.

**The Chair (Mr. Grant Crack):** Ms. Thompson.

**Ms. Lisa M. Thompson:** You know, it's interesting: This government has clearly rushed this bill through, given the number of amendments it is making in committee. It's almost unprecedented how many amendments the government is making to its own bill. When you talk around Queen's Park, everybody is agreeing to that.

We have to make sure we get this right, and in terms and in the spirit of getting this right, we need to make sure that the participants that are truly impacted by this Liberal cap-and-trade scheme are the ones that are held in priority—participatory and non-participatory. I feel very strongly that we need, as our motion reads, “A market participant shall not purchase an emission allowance for the purpose of reducing the supply of emission allowances.” If this is reported to the minister, it would be pretty easy to track and prove what is happening with those particular credits or allowances that are purchased by a market participant.

1650

Again, we want to get this right. We're trying to help you. For goodness' sake, a former employee of Premier

Dalton McGuinty said just last week—and we wanted to hear more deputants, but we were held to only two days, and there were 49 organizations that came forward to offer deputations. But going back specifically to the one deputation, it alluded to the fact that in the first year or two, it was a mess. It's very complex.

This motion allows us an opportunity to get things right for the companies that are actually impacted by this cap-and-trade scheme as opposed to allowing a third market participant in. It's one thing to say that it should be an open market. We would just like the government to respect and give some credence to our motion, which we think adds validity: “A market participant shall not purchase an emission allowance for the purpose of reducing the supply of emission allowances.”

You know that the cap-and-trade scheme failed in Europe. We heard that over and over again. For goodness' sake, for once, work with us. If you're going to follow the cap-and-trade scheme, this motion in particular would give it some credibility.

**The Chair (Mr. Grant Crack):** Mr. McDonell.

**Mr. Jim McDonell:** Again, we're jumping ahead of most of our neighbours to the south in our cap-and-trade scheme here. Most of our manufacturers are competing against jurisdictions that are not involved in a similar plan. If you have friendly neighbours of theirs—I would hope that the government decides what offsets are available. They're there for a reason. They're there to help our own companies, our own businesses. If somebody in a neighbouring jurisdiction decides to essentially pull offsets off the market, that would be kind of contrary to what the government direction would be.

We've seen in the past that many times, things are done—we have competition laws here that don't allow that. This seems to be a loophole that will allow, through another manner, somebody to put an uncompetitive restriction on a company and put them out of business.

So we are very concerned about this. If these are set by the government, why would they allow another company to remove them? Obviously, there's an issue there.

**The Chair (Mr. Grant Crack):** Ms. Thompson.

**Ms. Lisa M. Thompson:** Again, we feel that we've taken a very responsible approach to this whole issue of who shall buy allowances just for the purpose of retiring them. Looking ahead in our package, you'll see that we would like to suggest that the minister be responsible for tracking who buys allowances for the sole purpose of retiring them. To satisfy the government's concern over there, we feel it would be very easy to prove who would be purchasing allowances for the sole purpose of retiring them.

I think this would be an easy one for the government to get behind and support. This would add credibility to this bill; there are no two ways about it.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion? There being none, then I shall call for the vote on PC motion 21.30.

**Ms. Lisa M. Thompson:** Recorded vote, please.

**The Chair (Mr. Grant Crack):** That's fair. A recorded vote has been requested.

**Ayes**

McDonell, Thompson.

**Nays**

Hoggarth, Malhi, McGarry, McMahan, Potts.

**The Chair (Mr. Grant Crack):** I declare PC motion 21.30 defeated.

As there are no amendments to section 28, is there any discussion on section 28? There being none, I shall call the vote.

Shall section 28 carry? I declare section 28 carried.

We shall move to section 29, which is the emission allowances and credits section. We haven't heard from him for quite some time, but this is NDP motion 22, which is an amendment to subsection 29(2). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 29(2) of the bill be struck out and the following substituted:

“Maximum number, etc.

“(2) Before the beginning of each compliance period, the minister shall publish an outlook estimating the projected demand for allowances during that compliance period of the program. The allowances created for that compliance period shall be determined with reference to the targets established under section 6, and shall not exceed the projected demand for such allowances.”

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** The logic, Chair, is ensuring that we aren't flooding the market with allowances such that it drives down the price of carbon, and such that it reduces our potential to actually meet the goals that have been set in the act. I think it's a fairly straightforward amendment.

**The Chair (Mr. Grant Crack):** Further discussion? Ms. Thompson.

**Ms. Lisa M. Thompson:** We just want to point out here that we've established and pointed out for years that the Liberals seldom, if ever, consider the cost of their policies. We can point out the neonic ban; we can point out the Green Energy Act. The list could go on and on. So we actually support this NDP motion to require a demand outlook for allowances. It's good economic sense.

Again, I can't stress enough that time and again we've seen this Liberal government respond to knee-jerk asks of, perhaps, funders, as opposed to really pulling together good, thoughtful legislation that has been costed out, because we know you certainly didn't do that with the neonicotinoid ban.

*Laughter.*

**Ms. Lisa M. Thompson:** It's true. It's very true.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** I guess I'm rising to the bait.

We're looking at this amendment and the notion of providing speculative estimates of allowances in advance

of the market trading would have the effect of unduly influencing the market and prices. That's not how free markets work. You don't get out there—it's almost like an insider trading methodology.

I'm not surprised that the Tories would be supporting this. It's all part of this background filibuster that they seem to be engaged in right now. They're showing their true colours once again. They don't like the legislation and they'll do everything they can to try to sideline it. Really, we'll be voting against this, and I'm not surprised that they're picking up on it and speaking to it.

**The Chair (Mr. Grant Crack):** Mr. McDonell.

**Mr. Jim McDonell:** There's no question we don't like the legislation. We've said that from the beginning. We see this as very dangerous. We're jumping ahead of our competitors.

What this motion is asking for is just to publish information that, supposedly, you already have. It would allow comment from the public. I would hope, generally, when experts are allowed to review data from any government and comment on it, it only makes the data more valid. So I'm not sure why there would be any resistance to putting this through.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote.

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Mr. Grant Crack):** A recorded vote has been requested on NDP motion number 22. There being no further discussion, I shall call the vote.

**Ayes**

McDonell, Tabuns, Thompson.

**Nays**

Hoggarth, Malhi, McGarry, McMahan, Potts.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 22 defeated.

We shall move to PC motion 22.0.1, proposing a new subsection 29(3.1).

**Ms. Lisa M. Thompson:** We withdraw.

**The Chair (Mr. Grant Crack):** Ms. Thompson from the official opposition has indicated their position to withdraw, so PC motion 22.0.1 is withdrawn.

We shall move to PC motion 22.0.2, which is proposing a new subsection 29(3). Ms. Thompson.

**Ms. Lisa M. Thompson:** I move that section 29 of the bill be amended by adding the following subsection:

“Restriction re: purchase by market participant

“(3.1) The minister shall not retire Ontario emission allowances that have been purchased by a market participant.”

**The Chair (Mr. Grant Crack):** Further discussion?

**Ms. Lisa M. Thompson:** Again, we ask for some common sense here to recognize that when market participants are allowed to purchase allowances for the sole purpose of retiring them, this could lead to a slowdown

of business. The cost of the allowances will go through the roof, and businesses will be forced to slow down production and lay off employees.

Look, government, you've already seen and caused 300,000 manufacturing jobs to leave this province. Some of the best economic development initiatives that are happening right now by our US neighbours are the economic development offices that they're setting up in London and Cornwall to attract and entice good Ontario jobs south of the border. From better electricity rates to lower taxes, the list goes on and on. I think that it's time that this government, who proclaim to be open for business, actually realize that their failed policies are doing nothing but in fact closing up businesses.

**1700**

With regard to our motion, again, "The minister shall not retire Ontario emission allowances that have been purchased by a market participant"—that will recognize that you understand that there are going to be many companies that will already have a difficult time meeting the hard caps under this scheme.

*Laughter.*

**Ms. Lisa M. Thompson:** Ladies and gentlemen, you can't laugh at this. You're laughing at driving out Ontario jobs. You folks across the way are so arrogant. They don't give a hoot about these strong arguments that have been put forth by stakeholders. This isn't just a PC position; these are actual concerns that are being shared with us by stakeholders that you should have been consulting with, but instead, Chair, they laugh—

**Ms. Eleanor McMahon:** Chair, a point of order.

**The Chair (Mr. Grant Crack):** Point of order.

**Ms. Eleanor McMahon:** I just want to clarify. The honourable member is referring to laughter on this side, which is allowed the last time I looked, because we live in a free country. I just want it noted for the record that I'm not laughing at you. I'm not laughing at your comments. You could ask, and you didn't. Next time, you should.

Thank you, Mr. Chair. I appreciate you giving me the floor.

**The Chair (Mr. Grant Crack):** Thank you for clarifying, but that is not a point of order.

*Interjections.*

**The Chair (Mr. Grant Crack):** Order, order.

Ms. Thompson, you have the floor. Continue.

**Ms. Lisa M. Thompson:** Stakeholders and the PC Party in Ontario alike don't trust this government to get anything right. With that, that's why we choose very strongly to stand up and represent our stakeholders. This is just appalling, the manner in which this government is forging ahead, closing the doors and driving more business out of Ontario.

We feel very strongly about this particular motion, and that there are going to be huge ramifications that they're going to have to own when more businesses close their doors and choose to move to a different jurisdiction.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Jim McDonell:** I just want to add that I'm very concerned that these types of things allow these markets to be artificially inflated. It affects real people. This will lead to layoffs and to bankruptcies, even more so than we see.

This is not a bill or an initiative that this government talked about during the last election. They don't have public support. Maybe they want to take it back to the public and see if they want to move ahead in advance of the rest of the continent. Our real competitors are not doing anything at this time.

Businesses require surety. They require knowing what the rules are. It's fine to move ahead with something like this, but when you're creating other jurisdictions that are allowed to operate at a much lower cost—we already see the impact of the electricity rates and the higher property taxes.

I sit down at home and I see the advertisements from our New York neighbours: "Come on over. We offer cheaper electricity. We offer cheaper property taxes and cheaper payroll taxes." I think that—

**Mr. Arthur Potts:** Chair, a point of order.

**The Chair (Mr. Grant Crack):** Point of order. Sorry, Mr. McDonell.

Mr. Potts.

**Mr. Arthur Potts:** I think it would be important for the member to focus his debate on the amendments and the bill. He's talking about property tax and a whole range of other issues. Let's kind of rein this in somewhat.

**The Chair (Mr. Grant Crack):** Thank you very much for your comments, Mr. Potts.

Continue, Mr. McDonell.

**Mr. Jim McDonell:** I sat in committee through many, many filibusters by this government, so it's a little bit rich that they'd be talking about us when we're talking about a motion here. Just last year, when they put through the hydro bill, they filibustered so we wouldn't get minutes accepted so that we could actually question the government or Hydro One about the changes.

This is just another law that has really been going through without the acceptance of the public. We are very concerned that it will lead to more jobs being lost, and we think this government should care about that.

**The Chair (Mr. Grant Crack):** Ms. Thompson.

**Ms. Lisa M. Thompson:** Just so you know, as recently as last Thursday, I toured the facility of a significant stakeholder around the north end of the 427. They employ 300 people, and they are very, very concerned about the Liberal track record and the effect this cap-and-trade scheme is going to have on their business. When they're doing cost projections to justify keeping a business in Ontario that has affiliates in different provinces and states, they can't help but add in their cost of electricity with a forecast of how cap-and-trade is going to drive up their business. It's an irresponsible comment on the government side to say that electricity and cap-and-trade don't go hand in hand—very irresponsible.

I can tell you that the cost of electricity and the global adjustment alone make the cost of doing business for this

Ontario business \$2 million more than its other provincial as well as US counterparts. There are serious stakes here, and this government had better wake up to it. If we don't have our manufacturers in our tax base in Ontario, that \$1 billion of interest we are paying every month is just going to escalate.

It's time that this government and this committee got serious about the implications of ill-conceived policies.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on PC motion number 22.0.2.

**Mr. Jim McDonell:** Recorded vote.

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote.

### Ayes

McDonell, Thompson.

### Nays

Hoggarth, Malhi, McGarry, McMahon, Potts, Tabuns.

**The Chair (Mr. Grant Crack):** I declare PC motion number 22.0.2 defeated.

We shall move to government motion 22.1, which is an amendment to subsections 29(2), (3) and (4). Mr. Potts.

**Mr. Arthur Potts:** I move that subsections 29(2), (3) and (4) of the bill be struck out and the following substituted:

“Maximum number, amount

“(2) The regulations shall prescribe the maximum number or amount of Ontario emission allowances that may be created for a period, and the maximum shall be determined with reference to the targets established under section 6 for the reduction of greenhouse gas emissions.”

**The Chair (Mr. Grant Crack):** Discussion?

**Mr. Arthur Potts:** The motion makes an editorial change to subsection (2)—which are proposed to be relocated, with technical amendments, to a later section; you'll see how these fit in a little bit more down the road.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** I just want an explanation. It talks about ensuring that the minister cannot reallocate allowances from participants. We're just wondering why. Are we worried about foul play? Why would they put in such a restriction? We agree that arbitrary changes should not be made; we see this as positive. But we're just wondering why they are coming back. I guess you're not saying—

**Ms. Lisa M. Thompson:** Chair?

**The Chair (Mr. Grant Crack):** Ms. Thompson.

**Ms. Lisa M. Thompson:** I think they have woken up to the fact that there was a lot of foul play and fraud implemented in the European Union cap-and-trade scheme, and they realize that they are up against a tough—again, I just remind everyone of the deputation

we had last week. Dalton McGuinty's former employee actually said that this scheme could very well be a mess for the next year or two. They're just cleaning up a rushed piece of legislation and closing loopholes that they did not have a chance to actually realize because they rushed this legislation out the door. Let's be real: The minister had a photo op in British Columbia, they rushed this legislation and now they're using committee—unprecedentedly, for the record—to clean up a mess that they made in Bill 172.

**The Chair (Mr. Grant Crack):** Any further discussion? There being none, I shall call for the vote—

**Ms. Lisa M. Thompson:** Excuse me, Chair. I'd like to ask for a 20-minute recess.

**The Chair (Mr. Grant Crack):** That is in order. There has been a request, so we shall recess for 20 minutes.

*The committee recessed from 1710 to 1730.*

**The Chair (Mr. Grant Crack):** I call the meeting back to order.

We are about to vote on government motion 22.1. I call for the vote.

Those in favour? Any opposed? Government motion 22.1 is carried.

We have one amendment to section 29. Therefore, section 29 is amended. Is there any discussion on the amended section? There being none, I shall call the vote.

Shall section 29, as amended, carry? Those in favour? Carried it is. I declare section 29 carried.

We shall move to section 30.

**Mr. Arthur Potts:** Chair, if I could beg the indulgence of the committee, I would be very appreciative if we had unanimous consent to stand down discussion on section 30 until later in the deliberations.

**The Chair (Mr. Grant Crack):** Mr. Potts has requested that section 30 be stood down until next meeting. Is that what you're requesting?

**Mr. Arthur Potts:** Next meeting, or if we can get through the other 100 amendments in half an hour.

Yes, until Wednesday.

**The Chair (Mr. Grant Crack):** Okay, until such time. It's Wednesday we meet. Any questions or comments on the request? Ms. Thompson.

**Ms. Lisa M. Thompson:** Just for clarification, would it be at the beginning of Wednesday's session?

**Mr. Arthur Potts:** No, I think it all happens in order. We have to go through, and then before schedules, we come back and do the ones that we've already stood down.

**The Chair (Mr. Grant Crack):** Just for clarification, it's possible that this process could take us into the next week as well, into Monday. Based on the volume of amendments, we might not even get through them on the Wednesday. I just wanted to make that point.

Any further discussion? Is it the consensus of the committee? I hear agreement. It is agreed by the committee that section 30 will be stood down until further notice.

**Mr. Peter Tabuns:** Which amendment numbers are those, Mr. Chair?

**The Chair (Mr. Grant Crack):** Those would be amendment numbers 22.2 all the way to NDP motion 30.

**Mr. Jim McDonell:** So 30.0.2 would be the last one we stand down? Is that the idea?

**The Chair (Mr. Grant Crack):** No, because those are new sections. It will actually be NDP motion 30.

Is that clear? Is everybody okay with that? Mr. Tabuns.

**Mr. Peter Tabuns:** So then the next motion would be 30.0.1?

**The Chair (Mr. Grant Crack):** That's correct.

**Mr. Peter Tabuns:** Okay. I understand where we are. Thank you.

**Mr. Jim McDonell:** So 29.3 is the last one we're not doing.

**Ms. Lisa M. Thompson:** No, 30.

**The Chair (Mr. Grant Crack):** Oh, because we're bringing in a new 30? Okay. For clarification, we are going to be standing down PC motion 22.2 all the way to NDP motion 30.

We shall now move to the new PC section 30.1, which is proposed by the official opposition—motion number 30.0.1. I will ask Ms. Thompson and/or Mr. McDonell to read that into the record at your earliest convenience.

**Ms. Lisa M. Thompson:** Thank you. Two seconds here.

**The Chair (Mr. Grant Crack):** No problem. Mr. McDonell.

**Ms. Lisa M. Thompson:** We're going to withdraw.

**The Chair (Mr. Grant Crack):** PC motion number 30.0.1 is withdrawn?

**Ms. Lisa M. Thompson:** Correct.

**The Chair (Mr. Grant Crack):** I declare PC motion 30.0.1 withdrawn.

We shall move to PC motion 30.0.2, which is a new section 30.1. Mr. McDonell.

**Mr. Jim McDonell:** I move that the bill be amended by adding the following section:

“Public notice of Ontario emission allowances

“30.1(1) The minister shall make the following available to the public in accordance with subsection (2) in respect of each compliance period:

“1. The maximum number or amount of Ontario emission allowances that may be created under subsection 29(2).

“2. The total amount of Ontario emission allowances that may be distributed under section 30.

“3. The total amount of Ontario emission allowances that may be distributed free of charge under subsection 30(2).

“Same

“(2) The information referred to in subsection (1) shall be made available to the public on a website of the government or in such other manner as may be prescribed by the regulations,

“(a) in respect of the first compliance period, not later than the first day of the compliance period; and

“(b) in respect of each subsequent compliance period, not later than the day that is one year before the first day of the compliance period.

“Amounts distributed free of charge

“(3) The minister shall make the following available to the public in accordance with subsection (4):

“1. The name of each registered participant that receives an Ontario emission allowance free of charge under subsection 30(2).

“2. The amount of such allowances each participant receives.

“Same

“(4) The information referred to in subsection (3) shall be made available to the public on a website of the government or in such other manner as may be prescribed by the regulations 10 days before the allowances are deposited into the participant's cap and trade account.”

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Tabuns.

**Mr. Peter Tabuns:** I'm interested in hearing the arguments pro and con on this. This amends 30.1(2)—sorry, 30.1(3) refers to 30(2). It may be that 30(2) is changed in the course of our debate on this. So it may make sense for us to hold this one down as well. Until we see what's being brought forward, who knows what changes there will be?

**The Chair (Mr. Grant Crack):** Further discussion? Ms. Thompson.

**Ms. Lisa M. Thompson:** I appreciate that. It's something that we don't want to miss. But just to clarify, Chair, to make sure we get through all of the motions, we may extend to next Monday as well, so we definitely will get to this if we stand it down.

**The Chair (Mr. Grant Crack):** If there's a request for it to be stood down, and the committee agrees as well, it will follow the section that the government has just asked to stand down, because we're going to do that in order.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** I guess since this is the same motion, we probably should let this stand down until we see how it is affected by the previous section.

**The Chair (Mr. Grant Crack):** Am I getting an official request to stand down this proposed motion?

**Mr. Peter Tabuns:** Put it with the earlier ones.

**The Chair (Mr. Grant Crack):** Am I getting a request? Yes. So Mr. Tabuns is requesting that this one—okay, I'll accept that. I believe we have consensus to stand this one down as well.

**Mr. Peter Tabuns:** Yes.

**The Chair (Mr. Grant Crack):** For the record, we will stand down PC motion 30.0.2, which will follow section 30. It will be brought back to committee at the appropriate time.

We shall move to section 31. We have government motion 30.1, which is an amendment to subsection 31(2). Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 31(2) of the bill be amended by striking out “prohibited by regulation or by an order may purchase emission allowances at an auction” at the end and substituting “prohibited under this act or by an order may purchase emission allowances at an auction or sale”.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** It’s a technical amendment that just clarifies a prohibition against who can participate at an auction.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote on government motion 30.1.

Those in favour? Those opposed? I declare government motion 30.1 carried.

We shall move to government motion 30.2, which is an amendment to subsection 31(3). Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 31(3) of the bill be amended by adding “or sale” at the end.

1740

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** Yes. The motion allows for the regulations to facilitate the direct sale of allowances.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote on government motion 30.2.

Those in favour? Those opposed? I declare government motion 30.2 carried.

We shall move to government motion 30.3, which is an amendment to subsection 31(4). Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 31(4) of the bill be amended by adding “or sale” at the end.

**The Chair (Mr. Grant Crack):** Further discussion?

**Mr. Arthur Potts:** The amendment will authorize regulations to allow for the setting of purchase limits at a sale, if needed in the future.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote on government motion 30.3.

Those in favour? Any opposed? I declare government motion 30.3 carried.

We shall move to government motion 30.4, which amends subsections 31(7) and (8). Mr. Potts.

**Mr. Arthur Potts:** I move that subsections 31(7) and (8) of the bill be struck out and the following substituted:

“Same

“(7) No person shall disclose whether or not the person is taking part in an auction or any other information relating to the person’s participation in an auction, including the person’s identity, bidding strategy, the amount of the person’s bids and the quantity of emission allowances concerned, and the financial information provided to the director in connection with the auction.

“Same

“(8) If a prospective purchaser retains the services of another person in connection with an auction, the other person shall not disclose any of the information described in subsection (7) relating to the prospective purchaser.

“Exception

“(9) Subsections (6), (7) and (8) do not apply with respect to a disclosure to such persons as may be prescribed.

“Prohibition re: bidding strategy

“(10) No person shall coordinate the bidding strategy of more than one prospective purchaser in connection with an auction.

“Sale, auction on behalf of participant

“(11) In such circumstances as may be prescribed, where Ontario emission allowances have been removed from a registered participant’s cap and trade accounts, the minister may, in accordance with the regulations, sell or auction the allowances on behalf of the participant.”

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** The motion prohibits the sharing of information, which is important in order to keep transparency and keep it fair. It also allows the minister to sell off auction allowances where a participant does not remove allowances.

**The Chair (Mr. Grant Crack):** Ms. Thompson.

**Ms. Lisa M. Thompson:** We all know, and we heard it from businesses and organizations alike, that this legislation was rushed. It’s imperative that we get it right, because the integrity of any cap-and-trade scheme is paramount, wherever we can try and fit it in. We’re pleased to support any effort to increase transparency and accountability of this government, so we’ll be supporting this.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote on government motion 30.4.

Those in favour? Those opposed? I declare government motion 30.4 carried.

We shall deal with section 31 in its entirety. There were four amendments, so section 31 is amended. Any discussion on the amended section? There being none, I shall call the vote.

Shall section 31, as amended, carry? Those in favour? I declare section 31, as amended, carried.

We have PC motion number 30.5, which is an amendment creating a new section—

**Ms. Lisa M. Thompson:** That’s a government motion.

**The Chair (Mr. Grant Crack):** I have an error here, so that’s not my fault. As I said earlier, I’m not going to make a mistake. We have a new government motion on section 31.1, which is actually motion 30.5. Mr. Potts.

**Mr. Arthur Potts:** Thank you, Chair. I thought you were being prescient on the unanimous support of the motion.

I move that the bill be amended by adding the following section:

“Retiring, cancelling emission allowances

“31.1(1) The minister may, in such circumstances as may be prescribed and in accordance with the regulations, retire emission allowances from circulation.

“Cancellation

“(2) The minister may cancel Ontario emission allowances in accordance with the regulations in such circumstances as may be prescribed.”

**The Chair (Mr. Grant Crack):** Further discussion? Mr. Potts.

**Mr. Arthur Potts:** This goes back to subsections 29 and 34. We’re relocating this authority into this section, for better clarity.

**The Chair (Mr. Grant Crack):** Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** We’re just looking at this. I’d like to call a 20-minute recess to discuss this with our team.

**The Chair (Mr. Grant Crack):** Since there are only 15 minutes left—

**Mr. Arthur Potts:** Why don’t you just move adjournment?

**The Chair (Mr. Grant Crack):** Well, no, we’d have to go through the rites of passage. But will there be another five minutes if the—no, eh?

*Interjections.*

**The Chair (Mr. Grant Crack):** Right. You’re asking for a 20-minute recess; that’s fine. That can be asked for at any time. Is discussion over on this particular section?

**Mr. Jim McDonell:** Well, we’re not quite sure.

**The Chair (Mr. Grant Crack):** Okay. So there’s just a request for a 20-minute recess. That’s in order.

Given the fact that there’s not enough time left on the clock, it will be a 15-minute recess. When we come back, we will be calling for the vote immediately on Wednesday.

*Interjections.*

**The Chair (Mr. Grant Crack):** Is there agreement that we can adjourn until 6 p.m.?

**Mr. Arthur Potts:** No agreement necessary. It’s automatic.

**The Chair (Mr. Grant Crack):** No, it’s not automatic because it’s not before the vote. We’re still in discussion on the actual—I didn’t call for a vote.

**Mr. Arthur Potts:** No agreement, then.

**The Chair (Mr. Grant Crack):** Sorry?

**Mr. Arthur Potts:** No agreement. I move that we adjourn for the day.

**The Chair (Mr. Grant Crack):** Okay.

*Interjections.*

**Mr. Jim McDonell:** Do you want us to wait until the discussion is over?

**The Chair (Mr. Grant Crack):** Well, there were options that you could have used, but Mr. Potts has put forward a motion to adjourn, so the meeting is adjourned—no, wait.

*Interjection.*

**The Chair (Mr. Grant Crack):** There’s a vote. There’s a vote on whether or not we adjourn. Is there discussion? No, there’s no discussion. Therefore, I shall call the vote on adjourning.

Those in favour of adjourning? Those opposed? I declare the meeting adjourned until Wednesday at 2 p.m.

**The Clerk of the Committee (Ms. Sylwia Przewdziecki):** It’s 4 p.m.

**The Chair (Mr. Grant Crack):** It’s Wednesday at 4 p.m. Sorry.

*The committee adjourned at 1747.*







## CONTENTS

Monday 11 April 2016

Climate Change Mitigation and Low-carbon Economy Act, 2016, Bill 172, Mr. Murray / Loi de 2016 sur l'atténuation du changement climatique et une économie sobre en carbone, projet de loi 172, M. Murray .....	G-943
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