



ISSN 1180-5218

## Legislative Assembly of Ontario

First Session, 41<sup>st</sup> Parliament

## Assemblée législative de l'Ontario

Première session, 41<sup>e</sup> législature

# Official Report of Debates (Hansard)

Monday 2 May 2016

# Journal des débats (Hansard)

Lundi 2 mai 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

### **Hansard on the Internet**

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

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

### **Index inquiries**

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

### **Le Journal des débats sur Internet**

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

### **Renseignements sur l'index**

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

---

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



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

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES**

Monday 2 May 2016

Lundi 2 mai 2016

*The committee met at 0900 in committee room 1.*

**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 morning, everyone. I'd like to call the meeting to order. This is the Standing Committee on General Government, as you're all aware. We're going to continue clause-by-clause consideration of Bill 172, which is An Act respecting greenhouse gas.

As you're all well aware, on April 21 there was a motion passed in the House and this bill is now time-allocated. I'm not going to go through all the details, but we are allowed to meet on numerous occasions this week. It's going to be a privilege for me to be able to spend more time with you all. That's for sure.

**Ms. Lisa M. Thompson:** Chair, will you entertain a question?

**The Chair (Mr. Grant Crack):** I'll just finish—

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

**The Chair (Mr. Grant Crack):** As I said, this meeting is called to order, and if you would like to have copies of the motion that was passed, the Clerk's office can forward you those copies.

Ms. Thompson.

**Ms. Lisa M. Thompson:** I was just wondering if you might recall a previous standing committee Chair who—I'm sure Mr. Tabuns will absolutely agree—led by example. Michael Prue always brought treats for committee, and I just wondered, given the amount of time we're going to be bonding here this week, if this particular committee Chair might follow in the same path.

**The Chair (Mr. Grant Crack):** I'll see what I can do. If I had known this request was coming, I would have brought some St. Albert cheese because I was meeting with them on Friday.

Mr. Potts.

**Mr. Arthur Potts:** And I might add, the same member was renowned for having treats in his desk in the

Legislature, giving them to the pages on occasion, in clear violation of the rules of the Legislature. I mean—

**The Chair (Mr. Grant Crack):** Thank you very much, all. I'll see what I can do as far as treats go.

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

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

As we said, we're time-allocated, so we should get down to business. At our last meeting, we were dealing with section 47, which is enforcement. We're going to start with government motion number 32.11. It had been moved at that time, but I would just ask that it be removed so that we can follow up.

Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 47(1) of the bill be amended by adding "except in the case of a failure to comply with the requirement set out in paragraph 2 of subsection 14(7)" at the end.

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

**Mr. Arthur Potts:** There are other provisions within the bill that allow for enforcement of people who have not paid their assessments and such—in subsection 14(7), for instance. This just clarifies that those people will be dealt with in enforcement proceedings, outside of this section.

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

There being none, I shall call for the vote on government motion 32.11. Those in favour? Any opposed? I declare government motion 32.11 carried.

We have sections 48, 49, 50, 51, 52 and 53—

*Interjection.*

**The Chair (Mr. Grant Crack):** Oh, sorry. I'll go back. Section 47: That was the motion that was carried. There is one amendment. Shall section 47, as amended, carry? Those in favour? I declare section 47, as amended, carried. My apologies.

Sections 48, 49, 50, 51, 52 and 53: There are no amendments. Is it the wish of the committee to bundle these particular motions?

**Interjections:** Yes.

**The Chair (Mr. Grant Crack):** I don't hear any opposition to bundling sections 48, 49, 50, 51, 52 and 53. Is there any discussion on those sections?

There being none, I shall call for a vote on sections 48, 49, 50, 51, 52 and 53. Those in favour? Those opposed? I declare section 48 carried; I declare section 49 carried; I declare section 50 carried; I declare section 51 carried;

I declare section 52 carried; and I declare section 53 carried.

We shall move to section 54. There is government motion 32.12. Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 54(1) of the bill be struck out and the following substituted:

“Administrative penalties

“(1) An administrative penalty may be imposed under this section for one or more of the following purposes:

“1. To ensure compliance with this act and the regulations.

“2. To prevent a person or entity from deriving, directly or indirectly, any economic benefit as a result of contravening a provision of this act or of the regulations.”

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

**Mr. Arthur Potts:** Yes. It just clarifies that an administrative penalty order may be issued for either of the purposes that are stated and it just makes the whole enforcement far more robust. I think we should all be supportive of it.

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

**Ms. Lisa M. Thompson:** We just want to recognize that absolute liability is very important to clarify and we just hope, as we move forward, through regulations, that clarification is provided so that everybody is on the same page.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 32.12. Those in favour? Those opposed? I declare government motion 32.12 carried.

We shall move to PC motion 32.12.1, which is an amendment to subsection 54(10). Ms. Thompson?

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

**The Chair (Mr. Grant Crack):** PC motion 32.12.1 has been withdrawn.

We shall move to PC motion 32.12.1.1, which is an amendment to subsection 54(10). Ms. Thompson.

**Ms. Lisa M. Thompson:** Again, we recognize that we—

**The Chair (Mr. Grant Crack):** Excuse me. Would you like to read it into the record?

**Ms. Lisa M. Thompson:** I’m so ready to go here.

**The Chair (Mr. Grant Crack):** You’re a keener this morning.

**Ms. Lisa M. Thompson:** I am ready to go.

With regard to that, I just want to make sure that I get over—32.1.2—

**The Chair (Mr. Grant Crack):** It’s 32.12.1.1. Please read it into the record.

**Ms. Lisa M. Thompson:** Yes, I’ve got this one.

I move that subsection 54(10) of the bill be repealed.

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

**Ms. Lisa M. Thompson:** Again, the ministry has offered no clarification with regard to absolute liability and officials have only said they’re working on an

administrative penalty regulation. Without providing any rationale, Chair, the government is sending the wrong signal to the private sector. I think, as referenced earlier, it would be better to take this subsection out of the bill until the government straightens out its plan.

I’m just wondering, possibly, would the government please explain why absolute liability is needed, perhaps for clarification for all of us here in this room as well as watching the proceedings?

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

**Mr. Arthur Potts:** Sure. I would say that this is a lot like the law of gravity, where ignorance of the law is no excuse. If someone has made the mistake, even if it’s inadvertent, they need to be held accountable so others can’t make the same claim. We would be voting against repealing this section.

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

**Ms. Lisa M. Thompson:** I just question—I need to put it on record. I’m wondering if the government can clarify why there should be no appeal for companies or organizations that make an honest mistake.

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? There is no further discussion. I shall call for the vote on PC motion 32.12.1.1. Those in favour? Those opposed? I declare PC motion 32.12.1.1 lost or defeated.

We shall move to PC motion 32.12.1.2, which is an amendment to subsection 54(10).

*Interjection.*

**The Chair (Mr. Grant Crack):** It wasn’t in the package but it is the same content of the motion that was just defeated. Feel free to proceed, or there’s the other option of withdrawing one that has just been defeated as well.

**0910**

**Mr. Jim McDonell:** We will be withdrawing it.

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

**Mr. Jim McDonell:** The government is including absolute liability in Bill 172 without specifying what the legal standard will apply to. The ministry has offered no clarification. Officials have said only that they’re working on an administrative penalty—

**Mr. Arthur Potts:** Point of order.

**The Chair (Mr. Grant Crack):** I was about to—thank you. Point of order, Mr. Potts.

**Mr. Arthur Potts:** We can’t be debating a motion that’s been withdrawn.

**The Chair (Mr. Grant Crack):** That is correct. I was just about to get there, so I apologize to all members. When a motion is withdrawn, there is no further discussion. PC motion number 32.12.1.2 has been withdrawn.

We shall move to PC motion 32.12.2, which is an amendment to subsection 54(11). This would be in the extra package that the Clerk has—

*Interjection.*

**The Chair (Mr. Grant Crack):** No, it’s not—ah, yes, it is. Okay. We’re dealing with 32.12.2. It’s a PC motion.

**Ms. Lisa M. Thompson:** Number 32.12?

**The Chair (Mr. Grant Crack):** Number 32.12.2.

*Interjections.*

**The Chair (Mr. Grant Crack):** There have been a number of changes to the packages, so I can respect the fact that there's a little bit of confusion here. So I will provide the time to make sure that we move forward appropriately.

**Ms. Lisa M. Thompson:** Chair, I withdraw 32.12.2.

**The Chair (Mr. Grant Crack):** Thank you very much. PC motion number 32.12.2 has been withdrawn.

We shall move to PC motion 32.12.3, which is an amendment to subsection 54(11). Ms. Thompson.

**Ms. Lisa M. Thompson:** Chair, I withdraw 32.12.3.

**The Chair (Mr. Grant Crack):** I declare PC motion 32.12.3 withdrawn.

I believe Mr. Tabuns was raising his hand, so if there's a point of clarification—

**Mr. Peter Tabuns:** If it's withdrawn—I didn't have a copy of it, but if it's—

*Interjection.*

**Mr. Peter Tabuns:** Ah, on that stack. Okay. It's been withdrawn.

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

**The Chair (Mr. Grant Crack):** We shall move to PC motion 32.12.3, which is an amendment to subsection 54(11). Ms. Thompson.

**Ms. Lisa M. Thompson:** I just withdrew it. Thank you.

**The Chair (Mr. Grant Crack):** That was withdrawn?

**Ms. Lisa M. Thompson:** Yes. I just did. Thank you, Chair.

**The Chair (Mr. Grant Crack):** Okay. Very good. Thank you very much, everybody.

We shall move to PC motion 32.12.4, which is an amendment to subsection 54(11).

**Ms. Lisa M. Thompson:** I move that subsection 54(11) of the bill be struck out.

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

**Mr. Arthur Potts:** Can I have a clarification?

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

**Mr. Arthur Potts:** We're at 32.14?

**The Chair (Mr. Grant Crack):** Number 32.12.4.

**Mr. Arthur Potts:** Okay. It's somewhat of a duplicate of the previous motion that's been withdrawn.

**The Chair (Mr. Grant Crack):** Everything's good? Okay. Thank you.

Further discussion? Ms. Thompson.

**Ms. Lisa M. Thompson:** Again, we just want to reiterate that without providing any rationale, the government is sending the wrong signal to the private sector. We feel it would be better to take this subsection out of the bill until the government straightens out its plan for administrative penalties.

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

**Mr. Arthur Potts:** It's our view that this type of section within the bill protects the integrity of the system. It sends a signal to the marketplace that they need to know what the rules are, they need to know what the

penalties will be, and that they act in accordance with it. So they'll be able to do their due diligence, and we won't accept an accidental or "we didn't know" as an excuse to get out of it. So with respect, we'll be voting against this.

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

**Ms. Lisa M. Thompson:** Again, we just want to reiterate, then, in terms of standing up for the private sector, we really encourage the government to take time with the regulations and make sure that it's fully spelled out so that people understand what the parameters are that they're working within.

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

**Mr. Jim McDonell:** I think we can all agree that there need to be penalties, but they also need to be specified. We see here that you're working with private corporations where, really, there is no outline of just what the penalties could be. Of course, in the rule of law, people need to know what the penalties are, so that they can judge accordingly.

It's easy to make an administrative mistake. But if you're forcing a bankruptcy, then you get into the fact that sometimes mistakes are healthy—they improve the system—and there needs to be some rationale, for an honest mistake, for just what an honest penalty would be.

**The Chair (Mr. Grant Crack):** Further discussion? Okay, I shall call for the vote on PC motion 32.12.4. Those in favour? Those opposed? I declare PC motion 32.12.4 defeated.

There is one amendment to section 54, which was government motion 32.12. Is there any discussion on section 54, as amended? There being none, I shall call for the vote on section 54, as amended. Those in favour? Those opposed? I declare section 54, as amended, carried.

We shall move to section 55. There are no amendments. Any discussion on section 55? There being none, I shall call for the vote. Shall section 55 carry? I declare section 55 carried.

We shall move to section 56. There are no amendments. Any discussion on section 56? I see there is none. I shall call for the vote on section 56. Shall section 56 carry? I did not hear any opposition, so section 56 is carried.

We shall move to section 57. There is one amendment, government motion 32.13. It is an amendment to subsection 57(4). Mr. Potts.

**Mr. Arthur Potts:** We will withdraw that one.

**The Chair (Mr. Grant Crack):** Government motion 32.13 is withdrawn.

Therefore, there are no amendments to section 57. Is there any discussion on section 57? There being none, I shall call for the vote. Shall section 57 carry? I declare section 57 carried.

Sections 58 and 59: There are no amendments. Is it the committee's wish to bundle those two?

**Ms. Ann Hogarth:** Yes.

**The Chair (Mr. Grant Crack):** I hear no opposition.

Any discussion on sections 58 or 59? There being none, I shall call for the vote. Shall sections 58 and 59 carry? I declare sections 58 and 59 carried.

We shall move to section 60, which is government motion 32.14. It's a new subsection, 60(5). Mr. Potts.

**Mr. Arthur Potts:** I move that section 60 of the bill be amended by adding the following subsection:

“Data minimization

“(5) Where the collection, use or disclosure of personal information is authorized under this act or prescribed by regulation, no more personal information may be collected, used, or disclosed than is reasonably necessary to meet the purpose of the collection, use, or disclosure, as the case may be.”

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

**Mr. Arthur Potts:** This was in the discussions with our privacy commissioner, that we needed to limit the use of private information to protect the privacy of people, but we needed to know that we had enough substantive data in order to do the work in front of us.

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

**Ms. Lisa M. Thompson:** We agree that it's very important that this bill doesn't infringe on personal privacy of all the parties involved in the cap-and-trade system. Thank you for clarifying that you consulted with the privacy commissioner on that, because we were wondering if he had heard about this as a major concern from the business community. Did you hear anything from your stakeholders or—sorry.

0920

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

**Mr. Arthur Potts:** It was raised. The privacy commissioner certainly brought to our attention that we need to clarify this, and we've done so. We appreciate your support for this.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion? There being none, I shall call for the vote on government motion 32.14. Those in favour? Those opposed? I declare government motion 32.14 carried.

Section 60 is amended with that one amendment that just passed. Any discussion on the section, as amended? There being none, I shall call for the vote. Shall section 60, as amended, carry? I declare section 60, as amended, carried.

We shall move to sections 61, 62 and 63. There are no amendments. Is it the committee's will to bundle those particular sections? Thank you very much. I hear no opposition.

Is there any discussion on section 61, 62 or 63? There being none, I shall call for the vote. Shall sections 61, 62 and 63 carry? I declare sections 61, 62 and 63 carried.

Moving to section 64, there is a government motion, 32.15, which is an amendment to subsection 64(1). Mr. Potts.

**Mr. Arthur Potts:** Sorry, I think this is—yes, I'm withdrawing this motion.

**The Chair (Mr. Grant Crack):** Government motion 32.15 is withdrawn.

We shall move to government motion 32.15.1, which is an amendment to subsection 64(1). It's in your new,

extra package that the Clerk's office and the Clerk have provided. Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 64(1) of the bill be amended by striking out “under this act or the regulations” and substituting “under this act”.

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

Okay, we'll just get some clarification. Mr. McDonell.

**Mr. Jim McDonell:** Yes, what was the difference? We don't have 32.15.1 in front of us. What's the difference between the two?

**The Chair (Mr. Grant Crack):** Okay, we'll just take a few seconds here for the Clerk to get 32.15.

*Interjections.*

**The Chair (Mr. Grant Crack):** Further discussion on government motion 32.15.1? There being none, I shall call for the vote. Those in favour of government motion 32.15.1? Those opposed? I declare government motion 32.15.1 carried.

We shall move to government motion 32.16, which is an amendment adding new subsection 64(3). Mr. Potts.

**Mr. Arthur Potts:** If you'd give me a second here.

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

**Mr. Arthur Potts:** It's 32.16?

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

**Mr. Arthur Potts:** Okay. I move that section 64 of the bill be amended by adding the following subsection:

“Same

“(3) If service is made by a method other than personal delivery or mail, the service is deemed to have been made on the day, if any, specified in the regulations.”

**The Chair (Mr. Grant Crack):** “Specified by regulation”?

**Mr. Arthur Potts:** “Specified by regulation.” Sorry.

**The Chair (Mr. Grant Crack):** Thank you for the clarification.

Any further discussion on government motion 32.16?

**Mr. Arthur Potts:** This motion just clarifies the day of service. It's fairly technical in nature, and I would appreciate the support of all members on it.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion? There being none, I shall call for the vote on government motion 32.16. Shall government motion 32.16 carry? Those in favour? I declare government motion 32.16 carried.

There are two amendments to section 64. Is there any further discussion on section 64, as amended? There being none, I shall call for the vote. Shall section 64, as amended, carry? I declare section 64, as amended, carried.

Section 65, section 66 and section 67 have no amendments. Is it the committee's will to have these particular sections bundled?

**Mr. Lou Rinaldi:** Can we?

**The Chair (Mr. Grant Crack):** Would you like them bundled? I don't hear any opposition. They shall be bundled.

Is there any discussion on sections 65, 66 and 67? There being none, I shall call for the vote. Shall section

65, section 66 and section 67 carry? I declare section 65, section 66 and section 67 carried.

We shall move to section 68.

**Mr. Arthur Potts:** Chair?

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

**Mr. Arthur Potts:** If it pleases the committee, can I take a five-minute break?

**The Chair (Mr. Grant Crack):** Is the consensus of the committee to have a five-minute break?

*Interjections.*

**Interjection:** A Liberal break.

**The Chair (Mr. Grant Crack):** It is a Liberal break; it's a government break, a five-minute break. We will reconvene at 0930.

*The committee recessed from 0925 to 0932.*

**The Chair (Mr. Grant Crack):** Just on time.

We have moved to section 68. There is a change to the sequencing. In order to facilitate proper debate, the Clerk's office, in conjunction with myself, has moved NDP motion 34, NDP motion 35 and then NDP motion 33. If that—

**Mr. Peter Tabuns:** Sorry, can you repeat that again?

**The Chair (Mr. Grant Crack):** Okay. Instead of moving to NDP motion 33, as per the proper sequence, if we could do 34 first, 35 and then 33. You will find that that would be a much better way to proceed. So 34, 35 and 33.

**Mr. Peter Tabuns:** Can we have a reason for moving it that way?

**The Chair (Mr. Grant Crack):** Madam Clerk?

**The Clerk of the Committee (Ms. Sylwia Przewiecki):** It's just to allow for the most debate. The way they're ordered now, if the first one carries, then the next two won't be able to be moved, whereas if we sequence them 34, 35, 33, then they can all be moved and debated. I just made an error numbering them.

**The Chair (Mr. Grant Crack):** Are you comfortable with that, Mr. Tabuns?

**Mr. Peter Tabuns:** Well, I'm thinking about it.

Motion 33 is my first option. If that's defeated, then 34 is my alternative. Then 35 flows from whether 33 and 34—I don't see the advantage in terms of the logical processing of the bill in changing the order. Maybe I'm misunderstanding.

**The Chair (Mr. Grant Crack):** I respect your question.

Madam Clerk, do we have an answer?

**The Clerk of the Committee (Ms. Sylwia Przewiecki):** Okay, now I understand your—thank you for explaining your rationale. It's just that if number 33 does carry, what I'm hearing is then you wouldn't wish to move 34 and 35; if it does carry, then 34 and 35 wouldn't make sense anymore.

**Mr. Peter Tabuns:** Yes, if 33 passes, 34 is irrelevant.

**The Chair (Mr. Grant Crack):** And 35, from my understanding.

**Mr. Peter Tabuns:** No, 35 would still be relevant.

**The Chair (Mr. Grant Crack):** Does the member wish to proceed with 33?

**Mr. Peter Tabuns:** I do.

**The Chair (Mr. Grant Crack):** Okay, then we shall take that into consideration.

We shall move, then, to NDP motion number 33, which is an amendment to subsection 68(1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 68(1) of the bill be struck out and the following substituted:

“Greenhouse gas reduction account

“68(1) The greenhouse gas reduction account established under section 176.1 of the Environmental Protection Act is the greenhouse gas reduction account for the purposes of this act, and that section applies to this act, subject to any modifications made by regulations made by the Lieutenant Governor.”

Chair, I have to say that I was here the last time we debated a cap-and-trade bill. I had substantial criticisms at the time and quite a few amendments, very few of which passed. But one of the things that came out of that bill at that time—the changes to the Environmental Protection Act gave a greenhouse gas reduction account that I thought was fully serviceable and, in fact, one that gave a greater degree of accountability and transparency than the current formulation put forward in this act.

I think that the transparency of the spending is going to be critical to the legitimacy of the act. As we've been able to see in the last few weeks, anything you do around climate change is going to be contentious. There will be fights. There will be conflicts. There are big interests that are involved. If you want to ensure that you have a chance of being successful, then transparency is critical.

The formulation in the act I think is quite problematic. I think retention of a very serviceable piece of legislation that was already passed by this government is one that is worth retaining. Thus, I move this motion to protect greater transparency in the exercise of this whole project.

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

**Ms. Lisa M. Thompson:** Chair, I just want the government to understand that we feel that the NDP has brought forward a very thoughtful amendment in this regard. You've done your due diligence, as opposed to just trying to rush legislation through, as has become the habit of this government. In fact, we agree that the greenhouse gas reduction account set up under the EPA is more accountable.

We truly believe that transparency and accountability are paramount. Although we would like to see money returned to taxpayers in the form of tax relief, we feel strongly that this motion does speak to the issue of transparency, and I just want the member from the third party to know that we're supporting it. We understand what you're trying to achieve here and we agree with it.

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

**Mr. Arthur Potts:** We share the member's concern about openness, transparency and accountability in the bill. That's our objective. But having this account within public accounts—we believe that all of the accounts in the public accounts are going to be transparent. That's our objective across government. We see no reason to

take this particular account out of this and put it in the Environmental Protection Act, so we'll be voting against this motion.

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

**Mr. Peter Tabuns:** I'll just say that all kinds of mathematical games get played with accounts all the time. I just don't think there's any doubt about it. Fun with numbers is something that this government has engaged in and other governments have engaged in. I'm not moving this motion to protect or attack the government; I'm trying to ensure that action on climate change is protected, and its credibility is paramount.

I don't agree with the member. I'm not sure there's a lot more to be said. If and when there's a vote, I ask that it be recorded.

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

**Ms. Lisa M. Thompson:** Again, just in support of this particular motion, we recognize the manner in which this has been constructed. The account under Bill 172—and it's important that we have this on record—allows the minister to spend \$1.9 billion in new tax revenue on virtually anything he wants. That's a concern to us, and that's why we're supportive of any effort towards transparency and accountability.

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

#### Ayes

Tabuns, Thompson.

#### Nays

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 33 defeated.

We shall move to NDP motion number 34, which is an amendment to subsection 68(1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 68(1) of the bill be amended by striking out "in the public accounts" in the portion before paragraph 1 and substituting "by an entity created and controlled by the crown for the purpose,"

0940

Chair, I had moved my earlier motion because I felt that the Environmental Protection Act's structure was one that was adequate and fit for the purpose. This is an alternative, and it essentially draws from the experience in California where, again, they understood very early on that everything they did on climate was going to be attacked one way or the other, and they acted to ensure that transparency was paramount. They acted to ensure that the perception of political games and gains would be minimized, which is why they hold many of their activities outside the normal process of government

spending, notwithstanding some of the odd actions by that government from time to time.

I'm very sorry the government doesn't support its original legislation on cap-and-trade; I think it should have. I remember hearing the arguments of the government back in 2009 about this structure and its validity, but they no longer support that. I would hope that they would at least follow the example of California.

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

**Mr. Arthur Potts:** Much for the same rationale as before, I believe that we will achieve those objectives in the public accounts format. There are prescribed places where the monies will get spent, and they will result in reductions in greenhouse gases. Those are very clearly delineated in the act. Therefore, I don't see that there will be a concern in retaining this account within public accounts. So we'll be voting against this one.

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

**Ms. Lisa M. Thompson:** This motion creates a completely separate entity, in my understanding, to hold all revenues generated or collected through cap-and-trade. Again, it would create a completely separate entity to hold all revenues generated through cap-and-trade. It is of the utmost importance that the government recycle revenues from any existing carbon pricing scheme back to taxpayers, to offset the costs that we know will be coming forward.

Just to reiterate, even former finance minister Greg Sorbara said cap-and-trade is going to be nothing more than a flow-through tax that's going to cause everything to go up in terms of pricing.

We appreciate what the NDP are trying to do to ensure that there's more transparency of the greenhouse gas reduction account, and we support that.

I'm just wondering if the government could explain if they ever considered creating a separate account.

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

**Mr. Arthur Potts:** I'll address that briefly.

I'm a little surprised to see the member opposite supporting additional bureaucracy to accomplish essentially the same purpose. We want to keep this as streamlined as possible, we want to keep it as transparent as possible, and keeping this account in the public accounts will achieve that objective.

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

**Ms. Lisa M. Thompson:** Again, it's recognizing the fact that there was already something in place in the EPA. This separate account is nothing but an extra layer that the government has indicated they need, but I can't stress strongly enough that the manner in which they're setting this up is so different from what the purpose of the account in the EPA was. Under 172, this particular bill, the minister will be able to spend \$1.9 billion in new tax revenue on virtually anything this government wants.

We feel that taxpayers in Ontario have been stressed enough and, once and for all, they deserve the right to see

transparency and accountability built into one of the biggest tax schemes they'll ever face under this government.

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

**Mr. Arthur Potts:** I'd like to add on the record the voting in favour of this. Therefore, I'd ask for a recorded vote.

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

**Mr. Peter Tabuns:** I was going to ask for one, too, so we are in agreement.

**The Chair (Mr. Grant Crack):** Any further discussion on NDP motion number 34? Then I shall call for the vote. There has been a request for a recorded vote.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 34 defeated.

Let's move to NDP motion number 35, which is an amendment to subsection 68(1). I shall call on Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 68(1) of the bill be amended by striking out "following amounts" before paragraph 1 and substituting "following money paid in and out" and by striking out paragraphs 1 to 5 and substituting the following:

"(1) The money from the distribution of Ontario emission allowances created under section 29;

"(2) Any money payable to the crown by a participant under section 14;

"(3) The money from any administrative penalties that are paid under section 54;

"(4) The money from fees payable to the crown under this act;

"(5) All money paid out under subsection (2)."

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

**Mr. Peter Tabuns:** Chair, again on this matter of transparency and the ability of the public and those who are paying fees into this account to be able to follow where the money goes and how it's being spent, I'm very worried that the way the wording is set up in the bill as currently written will allow a number of accounting—what can I say, accounting—what's parliamentary?—a number of accounting actions that may not fully reflect the funds that were collected and should be held and utilized for climate action.

I watched the funds from the sale of Hydro One be played around with at great length. There's a claim by the government that somewhere in the range of \$2 billion from a preferential tax treatment of the sale has been

credited to the Trillium account, when in fact there is no real money. There are some accounting entries, but it is all notional. It is not real. So the potential exists to play around here, put notional credits into the account, pretend the money is actually being collected and allocated for climate action when in fact it isn't.

Again, I will say to you, Chair, that if this government or a subsequent government plays with this money, does not take the critical action that is necessary to save property, health and lives, then those who are the authors of that damage to climate action will be held accountable at great length and condemned widely over the decades to come. So I'm moving that it be possible to trace where the money's coming from, where it's going and how it's being spent. Failure to do that is quite reasonably considered a betrayal of the interests of the people of this province.

That's my argument. I just want to let you know in advance now—because I know you wouldn't be expecting this—that I would like a recorded vote.

**The Chair (Mr. Grant Crack):** Absolutely. Any further discussion? Mr. Potts.

**Mr. Arthur Potts:** The motion essentially just replaces the word "amounts" with "money" and I'm not sure in that change in wording all the laudable benefits being ascribed by the member opposite would come to fruition.

The Financial Administration Act uses the concept of amounts and so this keeps it consistent with that. We want to keep the acts consistent so the Auditor General and others in their due diligence will be able to analyze what's been happening in as transparent a way as possible, so we won't be supporting this motion.

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

**Ms. Lisa M. Thompson:** Thank you, Chair. This motion changes the terminology, just to be clear, to reflect money, rather than the amounts or expenditures. This appears to be a sensible solution to ensure plain language is embraced and encompassed. Again, we want a solution ensuring that plain language encompasses all money that will be related to cap-and-trade.

I have to support the member from the third party. There is a lot of opportunity for the moving of decimal points, as he alluded to earlier. Under the cloak of a lack of transparency, a lot of things could happen. The manner in which this particular aspect of the bill is being set up will allow the minister to spend \$1.9 billion on virtually anything he wants.

Just last week, at the Economic Club, Chair, we heard that, associated with this transformational change that this government wants to pursue, they feel they're going to have to introduce heavy subsidies. Well, our electricity rates just went up yesterday—again—because of some heavily subsidized initiatives that would probably never have happened had the—but the fact of the matter is, the Ontario taxpayer is burdening that whole stress of unnecessary subsidies.

**0950**

Again, the Minister of the Environment and Climate Change, at the Economic Club last week, implied that it is going to cost a lot of money, and subsidies are going to have to come into play. That tells me that they're going to be using this \$1.9 billion that they've tagged as revenue from their cap-and-trade scheme—they've tagged it to be used wherever they want, and at the end of the day, just as Greg Sorbara has pointed out, it's going to be the Ontario taxpayer who has that burden.

Again, Ontario taxpayers deserve so much better, and we should be able to make changes that embrace the whole notion of transparency. I'm glad there's going to be a recorded vote because we are supporting this idea of plain language, so that the motion changes the terminology to reflect money rather than the amounts or expenditures. I'm just wondering if the legislative counsel could explain the impact the wording change would have on this bill. Could you explain the impact? Because the member opposite just moments ago said he wasn't sure a change in wording would have the deemed effect that this particular motion is pursuing.

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

**Ms. Laura Hopkins:** Unfortunately, I think that this isn't something that I'm going to be able to help the committee with. The provision in this act will be read together with the Financial Administration Act and in the context of public sector accounting principles as a whole. We are outside my wheelhouse when it comes to accounting principles. So I'm sorry, I can't help.

**Ms. Lisa M. Thompson:** Okay, I respect that. Thank you for clarifying.

Again, I just think that taxpayers deserve transparency, especially when the cost is going to be on their shoulders, so we're fully in support of this NDP motion.

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? I see that there is none. I shall call for the vote on NDP motion number 35, and there has been a request for a recorded vote.

**Ayes**

Tabuns, Thompson.

**Nays**

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 35 defeated.

I shall move to NDP motion number 36, which is an amendment adding new subsection 68(1.1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 68 of the act be amended by adding the following subsection:

“Special purposes

“(1.1) For the purpose of the Financial Administration Act, money deposited in the greenhouse gas reduction

account shall be deemed to be money paid to Ontario for the special purposes described in subsection (2).”

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

**Mr. Peter Tabuns:** I'm following on my theme here of trying to preserve integrity in one of the core functions of this act, and that's ensuring that the funds that are collected from the sale of fossil fuels are actually used to reduce greenhouse gas emissions. I'm trying, in this motion, to ensure that the funds are used for the special purposes described in subsection (2) and are not going to be in any way reallocated and used for other governmental purposes. Again, it's a question of trying to armour these funds, protect them with as many layers of defence as possible.

Chair, as I'm sure you're well aware, all governments are subject to huge, ongoing and varying pressure. We look at the situation in Quebec where their green funds were used to build an oil pipeline, where their green funds were used to repair the tail assembly of an Air Canada jet and where their greenhouse gas funds were used for messaging communications services for a taxi service. There will be huge pressure to reallocate these funds to other government priorities from the day that the first dollar is collected. To the extent that the funds can be protected to actually deal with the climate crisis that we're facing, we serve well the people of Ontario, and to the extent that they are under threat of being reallocated to this or that project to deal with this or that pressure, it undermines the whole credibility of action on climate change and undermines our ability to prevent the damage that will come if we don't act.

So I would ask the government to vary this bill so that there can be another level, so that there can be another level and layer of protection for the funds levied for this purpose.

A recorded vote as well.

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

**Mr. Arthur Potts:** We find the motion well intended but somewhat redundant to the purpose. The act is very specific in subsection (2). The expenditures are prescribed for specific purposes; they will not be used for extraordinary purposes that are not in line with subsection (2). It's there; it's in black and white. All public accounts are used for the purposes defined for that section.

I just don't find the motion necessary, and we'll be voting against it.

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

**Ms. Lisa M. Thompson:** Just reflecting on the comments that were shared by the legislative counsel on the previous motion, I appreciate the fact that this particular amendment is trying to align the act with the definitions used within the Financial Administration Act. We need to be mindful of how this money is going to be used for special purposes. It's interesting how this government is apparently trying to put up as many cloaks and as many doors to hide how they're going to spend

their \$1.9 billion in revenue that the taxpayers are going to have to be responsible for.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion 36. There has been a request for a recorded vote.

#### Ayes

Tabuns.

#### Nays

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 36 defeated.

We shall move to NDP motion 37, which is an amendment to subsection 68(2). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 68(2) of the bill be amended by striking out the portion before paragraph 1 and substituting the following:

“Moneys to be paid

“(2) Money may be paid out of the greenhouse gas reduction account for the following purposes:”

Chair, I’ve made my arguments about the necessity of transparency, the necessity to talk about money rather than enter into a whole world of credits and fun with numbers that some accountants may well engage in. I believe that if you’re going to have a transparent set-up with this bill, with these expenditures, you need this kind of amendment. This motion is a continuation of this effort.

When we get to it, I’d like a recorded vote.

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

**Ms. Lisa M. Thompson:** We fully appreciate and agree that we, too, have concerns with how this government may have, to quote the third party, “fun with numbers.” This particular motion appears to be, as I said before, a thoughtful and sensible solution to ensuring plain language is being used that encompasses all the money that will be related to the cap-and-trade system. I think Ontario taxpayers deserve as much clarity as possible when it comes to this particular scheme.

This is going to be a recorded vote, is it?

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

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

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 37. There has been a request for a recorded vote.

#### Ayes

Tabuns, Thompson.

#### Nays

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 37 defeated.

We shall move to NDP motion number 38, which is an amendment to subsection 68(2), paragraph 1. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that paragraph 1 of subsection 68(2) of the bill be amended by striking out “and enforcement”.

#### 1000

Chair, this bill is, at its heart, a bill to protect the environment and to protect those of us who live in that environment. To my knowledge, other environmental protection enforcement is carried out by the Minister of the Environment and Climate Change with the funds that are allocated for enforcement. Generally speaking, we don’t charge an environmental protection program extra money for enforcement.

I would rather see the funds that are collected be used to reduce greenhouse gas emissions rather than supplement the activities of the ministry in its enforcement activities. If the ministry needs more money for enforcement, that should be allocated by the government.

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

**Ms. Lisa M. Thompson:** Certainly the member from the third party, Mr. Tabuns, really does hit on something that’s very, very important, and that is, at the heart of this whole issue is, I think we can all agree, the protection of the environment. It’s interesting. Attending the Economic Club of Canada luncheon last week, as I referenced before, and even meeting with stakeholders, I’m hearing that they want to hear from this government: What are we doing in terms of adaptation? What are we doing with regard to conservation? How are we going to ensure that agricultural practices that have been in place for decades are going to be properly recognized? I agree with what Mr. Tabuns has said in that we need to be recognizing that investment needs to be placed properly.

This particular motion, just to recap, removes enforcement from the list of authorized expenses, this revenue generated by the cap-and-tax scheme in terms of—I’ll repeat that. This particular motion removes enforcement from the list of expenses that this cap-and-trade scheme can be used for. I think it’s really important that we embrace what Mr. Tabuns has been saying here. We don’t need another tax simply to go towards an increase in bureaucracy and red tape.

Again, we go back to a number of motions before where we were very clear that there is an accounting functionality within the Environmental Protection Act that would serve the perfect purpose. That’s why I abstained from one of those previous motions, because, again, we don’t need another tax that simply goes towards funding this province’s increasing bureaucracy and red tape. We support the notion of removing enforcement from the list of authorized expenses that this cap-and-trade scheme could be used for.

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

**Mr. Arthur Potts:** We’re trying to achieve an objective where there’s full cost accounting associated

with all activities that are driving down greenhouse gas emissions. That includes administration and enforcement. The administrative penalty will keep those enforcement costs as low as possible so that we can put as much as possible into the kinds of initiatives that we'll identify that will have a reasonable chance and a likely chance of reducing greenhouse gas emissions. Enforcement is a legitimate expense to be encapsulated in the entire program. It will allow us to understand it better. It won't get lost in other enforcement programs. So we'll be voting against this because we think it's a legitimate expense.

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

**Ms. Lisa M. Thompson:** I can't help myself, but with all due respect to the member opposite, I find his comment that the government is trying to achieve full cost accounting rather rich, because I recall that, back in December leading into the Christmas break, I was asking the Minister of the Environment and Climate Change if they had done a full cost-benefit analysis. Those questions fell on ears that just weren't listening, because they totally ignored it.

Many stakeholders agreed with us that there has not been a full cost-benefit analysis done on this particular revenue-grabbing scheme. So I can't let that comment go without reflecting on the fact that this government, to our understanding, has not even done a cost-benefit analysis as to the total impact on Ontario taxpayers. To hear that they're now trying to achieve full cost accounting is pretty rich. It's just something I can't trust to be honest.

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

**Mr. Jim McDonell:** We don't have to go back very far to remember the last huge fiasco with not doing cost-benefit analysis, and that's the Green Energy Act. That was a huge criticism by the Auditor General. We look now—it's fine to return all your costs, like they've done with the case of our electricity costs, but look where they've driven them. They've driven them to the highest in North America. You're jumping into this cap-and-trade legislation much before our neighbours to the south. We've already had our businesses leaving because of the cost of power and the cost of payroll taxes.

This is just another reason why what used to be by far our number one industry, the auto industry—if they see this coming out early, if they're looking at plans for expanding or a new plant, why would they come to Ontario? I guess that's what we're seeing. We're seeing this industry drop down. We used to be number one in the continent; a couple of years ago we were number three and declining.

The cost-benefit analysis in the energy—we're still increasing at the greatest rate.

**Mr. Arthur Potts:** Chair, a point of order?

**The Chair (Mr. Grant Crack):** A point of order, Mr. Potts.

**Mr. Arthur Potts:** I'd like the member to address the motion instead of the grandiose—

**The Chair (Mr. Grant Crack):** Thank you, Mr. Potts. Mr. McDonell, try to circle back towards the motion at hand.

**Mr. Jim McDonell:** Bringing it back, we're talking about the cost-benefit analysis not being done here. When you look at the costs, they'll be significant. It is a bit of a waterwheel here, where you're trying to get to a point with no carbon. You're 0.1% of the world's total.

One of the biggest contributors is south of us. They're not jumping into it yet so we're not going to have a big impact. The only thing we are going to do is churn up the system and add a lot of energy that's got to be paid for. Unfortunately, we'll be paying for it up here and they won't be paying for it south of us. Again, it's just another way we're making ourselves uncompetitive.

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

**Ms. Lisa M. Thompson:** Again, with regard to the motion, on behalf of the constituents I represent in Huron–Bruce, I'd be remiss if I didn't revisit the fact that any monies associated with protecting our environment should be well spent.

We agree with removing enforcement from the list of authorized expenses because we need to recognize that, as it's developed today, this government is not allowing the agri-food industry to come to the table during the first period of compliance. The agri-food industry in Ontario is not going to be pulled into this picture until at least 2020. That's a travesty, Chair, because—even you know in your own riding how prominent agriculture can be in terms of protecting our environment, be it the various practices they use, be it ground cover, be it pasture, be it no-till conservation tillage. These are all initiatives that should be enhanced, encouraged and furthered through proper support by this government.

Instead, we're seeing, again, a list of authorized expenses that just add more bureaucracy and more red tape that truly isn't needed.

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

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

**The Chair (Mr. Grant Crack):** There being none, a request for a recorded vote, shall be entertained. There is no further discussion on NDP motion 38.

#### Ayes

McDonell, Tabuns, Thompson.

#### Nays

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 38 defeated.

We shall move to NDP motion number 39, which is an amendment to subsection 68(2), paragraphs 1, 2 and 3. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that paragraphs 1, 2 and 3 of subsection 68(2) of the bill be amended by striking out “or indirectly” wherever it appears.

Chair, as you are aware from these series of motions, I am trying to build in transparency. I am very worried

about this term “or indirectly.” It’s very broad, as you might well imagine, Mr. Chair.

This committee is debating this climate change act, this cap-and-trade act. The cap-and-trade act, when passed, may hopefully reduce greenhouse gas emissions. One might say that indirectly our actions are helping deal with greenhouse gas emissions. It’s remote, but it is indirect and thus would come under the scope of the act. There are a wide variety of things that this government may do that one could argue, however tenuously, are indirectly related to the reduction of greenhouse gas emissions.

**1010**

A lack of definition of “indirect”—the scale and scope of the activities that would be touched on would mean that a wide variety of things that actually would have no direct impact on greenhouse gas emissions could be funded through this act if the words “or indirectly” are retained. Frankly, again, that undermines the credibility of action on climate change, it undermines the effectiveness of this act, and it doesn’t allow for concentration of funds and efforts for those actions that are needed to actually come to grips with this problem, this crisis.

I would urge all in this room who have a vote to vote for this amendment, because we actually do need to focus the money on direct action to reduce greenhouse gas emissions. “Indirectly” is just a blank cheque for any creative government member to write in that this particular action, that particular action, or some other particular action is indirectly consequential to reducing greenhouse gas emissions. It has to be much, much tighter to avoid abuse.

There may come a time when you hold a vote. At that time, I’d ask that it be recorded.

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

**Mr. Arthur Potts:** The intention of the member’s motion is taken very seriously. I appreciate that there is a wide breadth that could potentially be attached to this. However, we also need the flexibility within the funding mechanisms to allow certain things to happen that will have a reasonable chance of reducing greenhouse gas emissions.

I think in particular, electric vehicles need charging stations. If we don’t develop a charging station network across the province, it will be unlikely that people will be investing in zero-emission vehicles. The same would go with a hydrogen-based fueling system: If we want to get into hydrogen-fueled cars, we have to develop a network of those, which in themselves do not reduce greenhouse gases, but are an essential component of an infrastructure to create an environment where there are zero-emission vehicles.

That’s why we have to maintain this flexibility. We’ll be voting against the motion.

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

**Mr. Jim McDonnell:** Well, anytime you give this government a blank cheque, you see the people pay for it.

I can’t imagine why they would be against something with a little more transparency.

Clearly, in the budget, this revenue is just going to the general revenues. They talk about whether you put in charging stations or a hydrogen network, but you can see from that that we have no integrated plan. We have no idea where we’re going. If they really are interested in hydrogen, well, then we should be encouraging pipelines. We haven’t seen that from this government. There’s a network that we have to be building for the future.

The costs here are plainly going to be borne by the user and by businesses. If we look at this as just being another form of tax, they’re already grabbing from the public double the revenue that they got when they came to power. They’re out of money still. Why would we give them a blank cheque just to spend on whatever they want to? That’s what we’re doing here. Instead of admitting they have a spending problem, it’s time they look at where they’re putting it, because this really will put a lot of pressure on our economy at a time when our biggest rivals are not feeling the same issue.

California, to me, is not a big competitor of ours. We have 49 states down there that are advertising every day to attract our businesses. Next thing we’ll see is, “We’re a non-cap-and-trade state.” That will be just another on the list: cheaper property taxes, cheaper electricity taxes, cheaper payroll taxes, and now this is another thing.

So we have to be careful. It’s bad enough that we’re jumping ahead of everybody else. It’s an indicator of just how much they’re out of money. We just can’t let them put it wherever they want it.

If you really take them at their word, where they talk about really trying to have an impact, why is this an issue?

**The Chair (Mr. Grant Crack):** Well, my apologies: It is 10:15. As a result, I’d like to thank the committee for the great work this morning. We will recess and reconvene at 2 p.m., according to the order of the House, this afternoon. Have a great day.

*The committee recessed from 1015 to 1402.*

**The Chair (Mr. Grant Crack):** I would like to call the meeting back to order. This is the Standing Committee on General Government, and we’re here to continue clause-by-clause consideration of Bill 172, An Act respecting greenhouse gas.

Prior to the recess at 10:15 this morning, we were dealing with NDP motion number 39. There had been a request for a recorded vote; however, we were still participating in the discussion component phase. At that time, Ms. Thompson had had her hand up to make comments. She is not with us this afternoon, being replaced by Ms. Martow. So I will ask, prior to calling for the vote, is there any discussion—or perhaps maybe even Mr. Tabuns could reread into the record NDP motion number 39 for us?

**Mr. Peter Tabuns:** Sure, Chair. I move that paragraphs 1, 2 and 3 of subsection 68(2) of the bill be amended by striking out “or indirectly” wherever it appears.

**The Chair (Mr. Grant Crack):** Thank you very much. Is there any further discussion on NDP motion number 39? There being none, as mentioned previously, there's been a request for a recorded vote. I shall call for the recorded vote.

#### Ayes

Tabuns.

#### Nays

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 39 defeated.

We shall move to NDP motion number 40, which is an amendment to subsection 68(2), paragraph 3. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that paragraph 3 of subsection 68(2) of the bill be amended by striking out "expenditures" and substituting "direct costs".

Chair, again, it's in line with the arguments I made earlier today about the need for transparency and the need for the channelling of the funds raised through cap-and-trade directly to the expenditures to reduce greenhouse gas emissions.

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

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

**The Chair (Mr. Grant Crack):** —on NDP motion number 40. There has been a request for a recorded vote. I shall entertain that.

#### Ayes

Tabuns.

#### Nays

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 40 defeated.

We shall move to NDP motion number 41, which is an amendment to subsection 68(2), a new paragraph number 4. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 68(2) of the bill be amended by adding the following paragraph:

"4. To fund the provision of rebates or tax credits to low- to middle-income households or northern and rural households to assist them in the transition to a low-carbon economy, where the Lieutenant Governor in Council has approved."

Mr. Chair—

**The Chair (Mr. Grant Crack):** Mr. Tabuns, prior to commencing the discussion, I will declare this motion out of order, as standing order 57 clearly states that a motion that involves money may only be made by a minister of

the crown. As such, it is out of order. So we shall move on.

**Mr. Peter Tabuns:** And there is no chance that the minister of the crown is going to move this, eh?

**The Chair (Mr. Grant Crack):** I would leave that to the government side to make comments on.

**Mr. Peter Tabuns:** I'd say that it's to their advantage to move it, but okay, out of order.

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

We shall move to PC motion 40.0.1, which is an amendment to subsection 68(2), a new paragraph 4. Mrs. Martow.

**Mrs. Gila Martow:** I move that subsection 68(2)—

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

**Mrs. Gila Martow:** I can't even read it?

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

**Mrs. Gila Martow:** Okay.

**The Chair (Mr. Grant Crack):** It would have to be Mr. McDonell.

**Mr. Jim McDonell:** I don't have that.

**The Chair (Mr. Grant Crack):** That should be in there.

*Interjections.*

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

**Mr. Jim McDonell:** I move that subsection 68(2) of the bill be amended by adding the following paragraph:

"4. To reimburse taxpayers, through income tax relief, for the costs associated with the cap-and-trade program under this act."

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

Prior to discussion, I must also declare this particular motion out of order, as this motion seeks to direct the allocation of public funds. Pursuant to standing order 57, such a motion shall be proposed only by a minister of the crown and would require a recommendation by passage of the Lieutenant Governor to be passed in the House.

The motion at hand would expand the scope of the bill's existing appropriation by creating additional purposes for which money can be spent. Again, therefore, I rule it out of order.

We shall move to PC motion 41.1, which is an amendment to subsection 68(2). Mr. McDonell.

**Mr. Jim McDonell:** Okay. I just wanted to see if I could get them back in order.

I move that subsection 68(2) of the bill be struck out and the following substituted:

"Authorized expenditure, taxpayer relief

"(2) Amounts not exceeding the balance in the account may be charged to the greenhouse gas reduction account and paid out of the Consolidated Revenue Fund for the purpose of reimbursing taxpayers, through income tax relief, for the costs associated with the cap-and-trade program under this act."

**The Chair (Mr. Grant Crack):** Thank you very much, Mr. McDonell. However, I must also rule this particular motion out of order, as per the same reason I had mentioned for the previous amendment. Pursuant to

standing order 57, these types of motions can only be proposed by a minister of the crown. So it is out of order.

**Mr. Jim McDonell:** I just want to say that we're not talking about any new money; we're talking about the spending of the existing money. Is that still outside of the realm of what we're talking about, where we direct this fund? It's similar to being transparent.

**The Chair (Mr. Grant Crack):** I'll defer to the Clerk and/or legislative counsel to clarify.

*Interjections.*

**The Chair (Mr. Grant Crack):** Mr. McDonell and members of the committee, there are basically two components of standing order 57: New money is included, but also appropriation of funds is covered in there by creating additional purposes. It is on how that money can be spent, so therefore it is out of order.

We shall move to PC motion 41.2. Mr. McDonell.

**Mr. Jim McDonell:** I move that subsection 68(2) of the bill be struck out and the following substituted:

"Authorized expenditure, taxpayer relief

"(2) Amounts not exceeding the balance in the account may be charged to the greenhouse gas reduction account and paid out of the Consolidated Revenue Fund for the purpose of reimbursing taxpayers, through income tax relief, for the costs associated with the cap-and-trade program under this act."

1410

**The Chair (Mr. Grant Crack):** Thank you once again, Mr. McDonell. However, I must declare this particular motion out of order as well, for the same reasons as I had mentioned previously, with regard to standing order 57 in reference to the allocation of funds. It's identical to the previous motion that I had just declared out of order.

**Mr. Jim McDonell:** Standing order 57 states that a money motion is a motion that "would impose a tax or specifically direct the allocation of public funds." This is not instituting an additional tax. The bill talks about programs and that this—

**The Chair (Mr. Grant Crack):** Sorry, Mr. McDonell. Unfortunately—I'd like to hear your point of order with regard to that, but there is no debate when a Chair calls a particular motion out of order. I'm just referring to standing order number 57. Thank you.

We shall move on to NDP motion number 42, which is an amendment creating new subsections 68(2.1) and (2.2). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 68 of the bill be amended by adding the following subsections:

"Disproportionately burdened communities

"(2.1) The ministry, after consulting the public, shall identify communities with disproportionate burdens in the transition to a low-carbon economy and adaptation to climate change, with consideration of communities that are disproportionately burdened due to,

"(a) disproportionate impacts of environmental pollution or climate change;

"(b) income, unemployment, housing costs, a lack of access to transit or low-carbon infrastructure, or a lack of control over household emissions; or

"(c) remote, rural or northern location.

"Same

"(2.2) At least 25 per cent of the money flowing into the greenhouse gas reduction account shall be spent on initiatives under (2) that provide direct benefits to communities with disproportionate burdens, and at least 10 per cent of the money flowing into the greenhouse gas reduction account shall be spent within identified communities with disproportionate burdens."

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

**Mr. Peter Tabuns:** Chair, this is consistent with what California has done with their cap-and-trade revenue. They've targeted a substantial portion of that money and the expenditures that are going to be used to fight climate change—targeted them on disproportionately burdened communities.

It's a question of fairness. It's a question of maintaining political support for this bill. It's a question of helping those communities that will have the least amount of cash at hand to actually alter their behaviour or alter the dwellings or the transportation that they utilize. I think it makes sense in terms of the goals of the bill, but it also makes sense in terms of the legitimacy of the action. Unfair legislation will generate resistance and ultimately will undermine the credibility of the legislation.

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

**Mr. Arthur Potts:** We're certainly very cognizant of the impact that this bill will have—the disproportionate impacts on remote or rural or low-income communities—and are empathetic with the intent of the motion. We have worked with the member opposite on another motion which is coming up which I think better addresses low-income initiatives. So we'll not be supporting this motion, but we look forward to discussing 210.5 a little later on, which will achieve much the same objectives.

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

**Mrs. Gila Martow:** I'm just wondering why this motion is allowed to proceed—not that I'm criticizing your motion—

**Mr. Peter Tabuns:** I understand.

**Mrs. Gila Martow:** —when it's also trying to determine how funds are being allocated.

**The Chair (Mr. Grant Crack):** I will have the explanation—probably much clearer if we could ask legislative counsel. That's a good question, but there is a reason.

Ms. Hopkins.

**Ms. Laura Hopkins:** Thank you. I'm not sure that it will be clearer. When a piece of legislation seeks to create an appropriation or to specify the allocation of public monies, there are two dimensions to it. One is the identification of the amount. The amount can be iden-

tified either by a dollar amount or by a description that lets you ascertain the dollar amount. The second dimension is that it states the purpose for which the funds can be spent. With an appropriation, you're always looking for amount and purpose.

If a proposal seeks to make the purpose smaller, to restrict the purpose, that's considered not to be a money initiative. If the proposal seeks to expand the purposes, that is considered to be a money motion. Some of the proposals seek to restrict the proposal and some seek to change it in a way that expands it.

The way that I think of it is this: In a much more informal setting, imagine that your parent gave you \$5 and said, "You can spend this \$5 on ice cream." It's permissible to say, "We'd like to restrict this so that you only spend it on vanilla ice cream"; it's a smaller purpose. If you were to say, "We'd rather spend it on beer," that would be a different purpose and that would attract a money bill conclusion. Or if you were to say, "We would like to also be able to spend it on beer," that, too, would expand the purposes and that would give rise to the money bill conclusion. That's the reason for the difference in the underlying parliamentary principles and principles in law here.

**The Chair (Mr. Grant Crack):** Thank you. I was just going to say the same thing. I appreciate the input.

*Laughter.*

**Mr. Arthur Potts:** Have you got five bucks?

**The Chair (Mr. Grant Crack):** Thanks for laughing.  
*Interjection.*

**The Chair (Mr. Grant Crack):** Very good, thank you. Further discussion? Mr. McDonnell.

**Mr. Jim McDonell:** Just for a point of clarification, because I thought I understood it better than I did. So you can restrict it to, say, vanilla ice cream. Can you not restrict it to—

**Mr. Arthur Potts:** Low cal.

**Mr. Jim McDonell:** I'll give you an example. I'm trying to think of how you'd put it—to a particular direction of where you put the funds? In our case, you're restricting it to programs. Actually you're returning the money to the people in different programs by reducing taxes. Is that not similar to restricting the vanilla ice cream, in a way?

**Ms. Laura Hopkins:** Redirecting it to a different purpose is more like authorizing it to be spent on beer than restricting it to vanilla ice cream.

The same principles apply during the estimates process to the extent that it's permissible during the estimates process to limit the scope of spending. Within the universe that has already been defined, you're fine. To the extent that what you're looking at is changing the definition of the universe, then it's a problem.

**Mr. Jim McDonell:** One further comment.

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

**Mr. Jim McDonell:** Other than the clarification, I'll have to get some of that—but anyway, I guess our concern—and I appreciate that the member's trying to return

money to areas that are disadvantaged. We're looking at it as the province being disadvantaged. In the case this morning in question period, we were highlighting people who can no longer pay their hydro bill and are being forced to go to—

**Mrs. Gila Martow:** Food banks.

**Mr. Jim McDonell:** —food banks. This is the same type of thing. We see that this is just increasing the number of people who are forced into food banks by taxing them for more of the necessities. Unfortunately, for most people, especially in rural areas, driving to work is a necessity, heating your home is a necessity, and all these will pull in an extra tax. It means there's less money for food and, if you're a business, you're passing it along to the customers and the cost of running a business is increasing.

It's something that our neighbours to the south, other than one state, will not be experiencing for some time and we think it'll just hasten the exodus of manufacturing jobs and other businesses that we've seen over the last 12 years restricted in this province. It's definitely a concern of ours.

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

**Mr. Peter Tabuns:** Chair, just so it's on the record now, I'd like a recorded vote on this.

I have to say, it is correct that I've had a chance to discuss this whole matter with the government. There is another amendment coming that, to some extent, addresses the issue. I think this motion actually does a better job. The nature of compromise is that one compromises and one doesn't get incorporated all the things that one thinks are necessary. I would be very happy if people passed my motions further on but I'd be even happier if they passed this one. I think it would have greater impact. I still urge members of the committee to vote for this motion.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Tabuns. Any further discussion? There being none, I shall call for the vote. There has been a request for a recorded vote by Mr. Tabuns; therefore that shall be entertained.

1420

**Ayes**

Tabuns.

**Nays**

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 42 defeated.

We shall move to NDP motion number 43, which is an amendment to subsection 68(3). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 68(3) of the bill be amended by striking out "No amount" at the beginning and substituting "No money".

Again, consistent with the arguments I was making earlier today, Mr. Chair. Should there be a vote, I ask that it be recorded.

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

**Mr. Arthur Potts:** Consistent with our arguments against it, we'll be voting against it.

**The Chair (Mr. Grant Crack):** Further—to Mr. McDonell.

**Mr. Jim McDonell:** Since we were talking about a sensible solution to ensuring plain language, that encompasses all money that will be related to the cap-and-trade system.

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

There being none, I shall call for the recorded vote at this time.

#### Ayes

McDonell, Tabuns.

#### Nays

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 43 defeated.

We shall move to NDP motion number 44, which is an amendment to subsection 68(3). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that the first sentence of the portion of subsection 68(3) of the bill before clause (a) be amended by adding “which shall be promptly published, despite any other act or law” at the end.

Chair, I think it's going to be very important that people understand why a particular initiative has come forward and what the minister has assessed and concluded with regard to the value of any particular initiative.

Again, I think there's a question of transparency, of credibility and of integrity that is going to be very important to defend as this bill and other such bills move forward. I believe that this change is needed for that transparency and that integrity. I will ask for a recorded vote.

**The Chair (Mr. Grant Crack):** That's fine. Further discussion?

**Mr. Arthur Potts:** Once again, I appreciate the intent behind the motion. We have been actually listening very carefully to this concern about evaluations being posted in a timely manner. As the member will see, we have a motion coming up at 217 which does just that. It defines “promptly” more specifically: on an annual basis. I think you'll be quite satisfied with that. So we'll vote against this because I think we deal with it better later on.

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

**Mrs. Gila Martow:** I'll just say that I'm looking forward to the government's motion addressing the same thing and remind everybody that, in the interests of transparency, people want to know what they're paying for.

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

**Mr. Jim McDonell:** I think it's a small modification to make it mandatory that the ministry publish its statistics to the public about the effectiveness of cap-and-trade, and considering the government's history of back-door deals and lack of respect for the democratic process, we think it's a prudent addition to the bill and we support anything that helps make this government more transparent.

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

There being none, there has been a request for a recorded vote on NDP motion number 44. I shall call for the vote at this point.

#### Ayes

McDonell, Tabuns.

#### Nays

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 44 defeated.

We shall move to PC motion number 44.1, which is an amendment to subsection 68(3). Mr. McDonell.

**Mr. Jim McDonell:** I move that subsection 68(3) of the bill be amended by adding “and makes the evaluation available to the public on a website of the government” after “Treasury Board” in the portion before clause (a).

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

**Mr. Jim McDonell:** I think we were just looking at adding some transparency with this government and making sure that people are aware of the issues and—no?

**Mrs. Gila Martow:** It says it's a duplicate.

**Mr. Jim McDonell:** Oh, okay. Actually it is a duplicate, so we're going to withdraw this one. Sorry.

**The Chair (Mr. Grant Crack):** Okay. So PC motion 44.1 is withdrawn.

We shall move to PC motion 44.2, which is an amendment to subsection 68(3).

*Interjections.*

**The Chair (Mr. Grant Crack):** There are three that are the same. We have withdrawn the first one, and your preference—

**Mr. Jim McDonell:** We'll take the second one because—

**The Chair (Mr. Grant Crack):** Very good. So PC motion 44.2, which is an amendment to 68(3): Mr. McDonell.

**Mr. Jim McDonell:** I move that subsection 68(3) of the bill be amended by adding “and makes the evaluation available to the public on a website of the government” after “Treasury Board” in the portion before clause (a).

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

**Mr. Jim McDonell:** The Financial Accountability Officer specifically testified before the committee that he was concerned that he would not have access to the minister's evaluation, so it's about public disclosure of the minister's evaluation. We believe that the accountability officer and the Ontario public should have the right to these documents.

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

**Mr. Arthur Potts:** Once again, in the interest of clarity, we are bringing in something very similar, in 217, that addresses those issues. We'll vote against this because it's managed better at a different point in this section.

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

**Mr. Jim McDonell:** We'll be looking forward to the government motion, because the amendment is necessary to ensure that the funds of the greenhouse gas reduction account are not abused and are actually to the benefit of the Ontario public.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for a vote on PC motion number 44.2.

Those in favour? Those opposed? I declare PC motion 44.2 defeated.

We shall move to PC motion 44.3.

**Mr. Jim McDonell:** We'll withdraw.

**The Chair (Mr. Grant Crack):** It is withdrawn.

**Mr. Jim McDonell:** Yes.

**The Chair (Mr. Grant Crack):** Okay. Therefore, we shall move to NDP motion number 45, which is an amendment to subsection 68(3). Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you, Chair. I move that subsection 68(3) of the bill be amended by striking out "may consider" in the portion before clause (a) and substituting "shall consider".

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

**Mr. Peter Tabuns:** Chair, I think that it's not just a question of the minister potentially considering these matters. I think it's critical that the minister actually shall consider these matters. It's my hope that the committee will be able to approve this amendment.

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

**Mr. Arthur Potts:** I find the member opposite's argument very convincing, so we'll support this motion.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 45.

Those in favour? Those opposed? I declare NDP motion 45 carried.

We shall move to government motion 45.1, which is an amendment to subsection 68(3).

**Mr. Arthur Potts:** I'll withdraw that motion.

**The Chair (Mr. Grant Crack):** The government side has withdrawn government motion 45.1.

We shall move to PC motion 45.2, which is an amendment to clause 68(3)(a). Mr. McDonell.

**Mr. Jim McDonell:** We will withdraw it.

**The Chair (Mr. Grant Crack):** PC motion 45.2 is withdrawn.

We shall move to PC motion 45.3, which is an amendment to clause 68(3)(a). Mr. McDonell.

**Mr. Jim McDonell:** I move that clause 68(3)(a) of the bill be amended by adding "per tonne" after "potential".

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

1430

**Mr. Jim McDonell:** I think that the collection of sound data is essential to monitor outcomes and measure progress. The standard international measurement of emissions reductions is metric tonnes. The amendment will ensure that the government reporting will meet international standards and provide quantitative data to track overall emissions.

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

**Mr. Arthur Potts:** I'm not convinced that all the reductions will be measured in tonnes, metric or otherwise. Therefore, I think we need to leave this wording after "potential" as it is, in order to capture all greenhouse gas reductions. So we'll vote against this.

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

**Mr. Peter Tabuns:** I had not spent a lot of time thinking about this one previously, but it's fairly standard in international reporting to talk about tonnes of greenhouse gas emissions. I don't know if the government will answer this, but if you're not going to be measuring in tonnes of greenhouse gas emissions, what other measures are you thinking of talking about?

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

**Mrs. Gila Martow:** I think that it's somewhat concerning to anybody who reads scientific studies at all. The number one thing has to be that you're comparing apples to apples. We can't compare our emissions or educate the public on what exactly is being accomplished if we're not comparing similar measurement scales.

I don't think the government should even move forward with legislation, if they can't guarantee that there's going to be some kind of standardized testing and reporting and education of the public. Otherwise, really, what's the point here?

It's a little bit like this morning. It was interesting to hear the Minister of Energy talk about the percentage of increases in costs of electricity in provinces. Well, you can talk about the percentage of increase, but if their energy costs are already lower than ours and if they're increased more than ours, theirs could still be lower than ours.

I think that the public is a little jaded when it comes to a lot of these things. They see headlines and they don't even read the articles because they're so disappointed when they do. The public in Ontario is actually quite educated and wants to be able to see the data and make the decision on their own. They don't want to be fed talking points.

Give them the data, decide how you're going to measure it and ensure that it's a level playing field, or please don't proceed.

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

**Mrs. Gila Martow:** How could you go after that?

**Mr. Jim McDonell:** Well, I just wanted to repeat parts of it.

We've seen time and time again where slight differences have led to different statements being made by the government. Actually, when you're looking at a definition of misleading people, that falls in that category.

I think that you want to be upfront and very clear that we're talking about standard units that everybody around the world has adopted as a standard. It takes away that opportunity to see some of these misleading statements. It's very hard to compare different units for most people.

**The Chair (Mr. Grant Crack):** Okay. Thank you very much. I'm not going to ask you to withdraw, but just to caution members, there are certain unparliamentary words that we sometimes use here that the Chair would actually have to call out and ask for a withdrawal. I won't do that at this point, but I'll just caution members to stay parliamentary, please.

Mr. Potts.

**Mr. Arthur Potts:** The point is taken that the international standard is per tonne. All the credits and the assessments will all be on tonnage basis. I think that that's effectively implied.

What we're really talking about is the potential of greenhouse gas reduction, which, for argument's sake, will be in tonnes. If you go to the other sections in this, "other potential, planned and funded initiatives to reduce greenhouse gas"—for all those things, the assumption is that they're going to be measured in a tonnage sort of way, but it speaks to "potential" and "achieved" and other such matters.

I don't think that this is varying from the international standards. That's how the carbon credits will be relayed, paid, bought and traded etc. I just don't see the necessity of making that change here. It would refine it down in a way that I don't think is necessary.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for a vote on PC motion number 45.3.

Those in favour? Those opposed? I declare PC motion 45.3 defeated.

We shall move to NDP motion 46, which is an amendment to clause 68(3)(a). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that clause 68(3)(a) of the bill be struck out and the following substituted:

"(a) the potential and estimated greenhouse gas emissions reductions of the initiative;"

As you're well aware, Mr. Chair, there's always the possibility that a potential will not be fully realized. There may be a potential to cut emissions by hundreds of thousands of tonnes, but the estimate may be that only tens of tonnes will be reduced. I believe that all of us need to know not only what the potential reduction is in a

particular area or with a particular measure; what the estimated reductions are going to be also needs to be known and needs to be made available to those who are interested in the initiatives under way.

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

**Mr. Jim McDonell:** We believe that this amendment will strengthen the transparency of the bill. As previously stated, we support any gestures to strengthen this bill as far as transparency in the government goes.

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

**Mr. Arthur Potts:** I think adding "estimated," with respect, is, again, redundant. "Potential" will include all aspects of estimated, realized—it's going to be part of the ministry's and the minister's review. "Potential" means exactly that: that which is achievable, that is potentially achievable, that was estimated as being achievable. I think it all falls under the same rubric.

We will not be supporting this motion.

**Mr. Peter Tabuns:** Recorded.

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

**Mr. Jim McDonell:** I would have to disagree. There's a fair bit of difference between "potential" and "estimated." There are a lot of potential targets that, for many reasons, we do not try to attempt. We have a plan that will put us on a target to meet an estimated return. That's really what the people want to know: They want to know, what is the plan of the government, where is it going to—not necessarily knowing what the total potential is, because in theory the potential is going down to zero, which, I don't think anybody would disagree, is not where we want to go.

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

#### Ayes

McDonell, Tabuns.

#### Nays

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 46 defeated.

We shall move to NDP motion 46.1, which is an amendment adding a new clause 68(3)(d.1). It's in your extra package that the Clerk has distributed. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 68(3) of the bill be amended by striking out "and" at the end of clause (d) and adding the following clause:

"(d.1) whether the initiative is also likely to assist low-income households and vulnerable communities with their transition to a low-carbon economy; and"

Chair—

**Mr. Arthur Potts:** I'm sorry.

**The Chair (Mr. Grant Crack):** Just prior, Mr. Tabuns, I think there are some clarification issues here.

**Mr. Arthur Potts:** On (d.1), I'm not seeing—oh, do you know what? This is the new bill, isn't it? There it is. It snuck in there. My apologies; I'm looking at a different (d.1).

**The Chair (Mr. Grant Crack):** Okay. It's motion 46.1, which is an amendment adding a new clause 68(3)(d.1). Mr. Tabuns has read it into the record. Would members of the committee prefer that it be read again?

**Interjection:** Yes, please.

**The Chair (Mr. Grant Crack):** Mr. Tabuns, would you be so kind?

**Mr. Peter Tabuns:** I'm happy to do it.

I move that subsection 68(3) of the bill be amended by striking out “and” at the end of clause (d) and adding the following clause:

“(d.1) whether the initiative is also likely to assist low-income households and vulnerable communities with their transition to a low-carbon economy; and”

1440

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

**Mr. Peter Tabuns:** This adds to the criteria that the minister will be using to evaluate any particular initiative for reducing greenhouse gas emissions. Hopefully, it would raise the profile of those initiatives that would help low-income households and vulnerable communities.

Again, I thought my earlier motion was a stronger one, but this one would help in raising the profile of these initiatives and, hopefully, ensuring that more of them are adopted than not. I think that, again, if we're going to have a bill that's fair, this has got to be part of developing that fairness.

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

**Mr. Jim McDonell:** While I commend what the member is trying to get to, we're just worried that the passage of this bill is only going to add to the number of low-income households and to the number of people that are affected, by reducing the amount of income that's available to our people. We see residents now that not too many years ago had more than enough money to handle the necessities, but today those necessities have all gone up terrifically. Hydro rates are the steepest increases on the continent. We see people who can no longer afford them, and we see use of the food bank up. This bill will only increase those numbers.

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

**Mr. Arthur Potts:** This is the piece I was speaking about earlier where we have been in discussions, and I believe this gets at the initiatives. We can respect the disproportionate impact on low-income rural neighbourhoods, and the minister shall consider these things under our previous amendments, so we'll be supportive of this.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall for the vote on NDP motion 46.1.

**Mr. Arthur Potts:** Recorded.

**The Chair (Mr. Grant Crack):** This is a recorded vote.

**Ayes**

Hoggarth, Malhi, McDonell, McMahon, Potts, Rinaldi, Tabuns.

**The Chair (Mr. Grant Crack):** There are none opposed; therefore, I declare NDP motion number 46.1 carried.

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

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

We shall move to NDP motion number 47, which proposes new clauses 68(3)(d.1), (d.2), (d.3) and (d.4).

**Mr. Peter Tabuns:** I move that subsection 68(3) of the bill be amended by striking out “and” after clause (d) and by adding the following clauses:

“(d.1) a timeline of when such reductions are expected to be achieved;

“(d.2) an assessment of the cost per tonne of the potential reduction in greenhouse gas;

“(d.3) the estimated or suggested amount of any funding from the account that may be contemplated;

“(d.4) any other economic, health, safety, environmental, social and economic benefits associated with the initiative; and”

Chair, the idea is to have more detailed considerations incorporated in the minister's thinking when the minister is considering matters to be incorporated into the greenhouse gas reduction initiatives, and, frankly, in the hope that eventually this material will be made public, giving the public greater information for them to make their assessment of the value of a particular initiative.

I'd like a recorded vote when we get to that.

**The Chair (Mr. Grant Crack):** Certainly, sir.

Further discussion on NDP motion 47? Mr. McDonell.

**Mr. Jim McDonell:** This motion outlines additional criteria that the government would need to consider when allocating funds from the greenhouse gas account. We are supportive of many elements of this amendment, particularly the subsection that would require the government to evaluate the cost per tonne of potential reductions of greenhouse gases. However, the PC caucus is fundamentally opposed to the idea of diverting funds to general revenue, as it will only create another slush fund for this Liberal Party.

Again, we feel the amendments being brought forth by our PC caucus would better address the issues of openness and transparency. In particular, we feel that subsection 68(3) should be entirely repealed so that the funds for cap-and-trade can be used for tax relief instead.

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

**Mrs. Gila Martow:** I think I'm not the only one here who hears often from people complaining that they already pay an enormous gas tax at the pumps, and they want to know where that money is going. They ask, and they don't get any answers. Some people take the time to

even write the appropriate minister to ask where exactly that money is going.

I think the big concern here is that we're raising that gas tax even higher, and we want to ensure that we're not completely losing sight of where the money is going, what its purpose is and how to provide that information to the public.

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

**Mr. Arthur Potts:** Can I have a clarification? The previous motion we adopted created a new subsection (3)(d.1). Is this going to eradicate (d.1), or does it create a new (d.1a)?

**The Chair (Mr. Grant Crack):** I'll ask legislative counsel to clarify that. Good question.

**Ms. Laura Hopkins:** The numbering is very confusing. There is no relationship at all between this proposed amendment and the previous proposed amendment, although it's inconvenient that they have the same clause numbers. When the bill is reprinted, legislative counsel would editorially correct the numbering. So this would become (d.2), (d.3), (d.4) and so on. But there's no relationship between this proposed amendment and the previous one.

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

**Mr. Arthur Potts:** My discussion may be moot anyway because we're going to vote against this. I believe that the action plan will contain all the information that's being requested here and there's no point in codifying it in this section of the bill. The minister will have the ability to consider additional matters. So we'll vote against this, but this is a good indication of what some of the substance will be in the climate action plan of all the different initiatives that will come forward. So it's great to see it here, but it doesn't have to be in this section. We'll vote against it.

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

**Mr. Jim McDonell:** Hearing the comments, it does concern me, because this is nothing less than an additional tax. This government has made a career of adding taxes. They're now double what they were when they came in. This is a substantial new tax, probably one of the top three that they created, behind the health tax and the HST. People are being taxed to death, as I hear at home. There's a lot of unparliamentary language I can't use, from what I hear when I get home, but people are getting fed up, and they need to see that there's some relief coming forward. They see this as nothing more than another tax grab.

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

**Mr. Peter Tabuns:** Yes. I have to say, Chair, that I went through the last round of climate action plans. The things that I've noted here in this amendment weren't addressed in those. It would be nice to think that in the new climate action plan these precise details were addressed. I think it would make it a lot stronger if that was in the bill so that future governments—assuming that this one does as the member has said they will do—would actually continue to be very clear about what's expected, what the timelines are and what the expenditures are going to be.

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

There has been a request for a recorded vote as well, so I shall entertain that and we shall get ready to vote.

### Ayes

Tabuns.

### Nays

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 47 defeated.

We shall move to PC motion 47.1, which is an amendment to subsection 68(3). Mr. McDonell.

**Mr. Jim McDonell:** We're withdrawing this one. It's a duplicate.

**The Chair (Mr. Grant Crack):** PC motion 47.1 is withdrawn.

We shall move to PC motion 47.2, which is an amendment to subsection 68(3). Mr. McDonell.

**Mr. Jim McDonell:** I move that subsection 68(3) of the bill be repealed.

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

**Mr. Jim McDonell:** We would like to see the use of the cap-and-trade funds for tax relief. We feel that this amendment would allow the government to do that.

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

**Mr. Peter Tabuns:** Yes. The opposition may or may not comment on this, but if I understand correctly, what they seem to be aiming for is a bill similar to British Columbia's carbon pricing initiative, and I should just note that British Columbia is not meeting its climate targets either for 2015 or 2020. So I don't quite see how this actually aids the climate initiatives that the province has to engage in.

1450

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

**Mr. Arthur Potts:** I'm glad the member, Mr. Tabuns, made that comment. I would have made the same. It really just shows that the official opposition's approach to this is to try to denude the bill of any effect it will have in being an effective carbon change mechanism. I'm not surprised, but we'll be voting against it for the obvious reason that if they had their way, it wouldn't work.

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

**Mr. Jim McDonell:** I've seen the comments on the BC carbon pricing. There's no question that pricing carbon to have the effects that really are being looked at must be much higher. I think that's what's being blamed for BC not reaching their targets, because certainly they have reduced the amount of carbon greatly that they've used over the years. Of course, like anything else, if you want to get—these targets are very lofty, and if you want to get to that you've got to price the carbon appropriately.

That's a step-by-step process, so I imagine we'll see some changes out there.

Again, they have returned the money to the people. They're making life affordable for the people who have trouble when the price of food goes up, the price of gas goes up and the price of all our services goes up. It's a tax on the way we live, so we want to make sure that it's compensated and it's just not more money into a pot that just disappears overnight like we see—this budget every year now up to about \$135 billion.

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

**Mrs. Gila Martow:** I think that we're seeing a lot of cuts in education and health care. People are realizing that they need money to pay for these things out of their pocket. What I would question is the member opposite: how holding on to the money and not making it transparent effects climate change.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on PC motion 47.2.

Those in favour? Those opposed? I declare PC motion 47.2 defeated.

We shall move to PC motion 47.3. Let's take a few minutes to make sure we have it. It's in your extra packages that have been distributed.

**Mr. Arthur Potts:** It's a duplicate of the previous two motions, one that we just defeated. So it's out of order, is it not?

**The Chair (Mr. Grant Crack):** I don't have it as a duplicate. They technically achieve the same goal, however.

**Mr. Jim McDonell:** We'll withdraw it.

**The Chair (Mr. Grant Crack):** Okay, thank you. I was trying to let things take their course. PC motion 47.3 has been withdrawn.

We shall move to NDP motion 48, which is an amendment proposing a new subsection 68(3.1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 68 of the bill be amended by adding the following subsection:

"Further restriction

"(3.1) No amount is payable under subsection (2) with respect to a program that is already funded outside the greenhouse gas reduction account."

Chair, I'm moving this motion because I'm worried that the funds that are collected under cap-and-trade may in fact be used for reimbursing the government for programs or initiatives that were carried out before this bill came into effect.

The understanding of the need for such a bill is that we need to take on additional projects and do additional work to actually bring climate change under control. If we're simply reimbursing the government for projects that were previously carried out, we aren't advancing the goals that this bill is supposed to be addressing.

I note that part of the Green Bonds that the government issued in February of this year were used to pay for a hospital that was completed in Hamilton in December 2014. I'm not sure why we're using Green Bonds to fund hospital development in Hamilton. It's not a bad thing to

do. I think the hospital facility was probably needed. But it's an example of the kind of games that one can engage in if there are no restrictions on the use of the money. It wouldn't advance greenhouse gas action to be taking all of the money that's collected under cap-and-trade, reimbursing the government for actions already taken and, frankly, then just giving the government some money that it can play with. It doesn't make sense to me.

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

**Mr. Arthur Potts:** There are some investments that we are making, particularly through the Green Investment Fund, that we made in the last budget, which, clearly, were made beforehand, but it was perceived and it was argued as a down payment against proceeds that were coming. Those kinds of investments, which were designed specifically for greenhouse gas reduction initiatives—such as the money we're putting into charging stations for electric cars across the corridor—were previously made.

It's our intention, obviously, that we're going to use all of the new funds for new programs and that—even though it was an expenditure out of the last budget, before the adoption of this bill—is still to be considered a fund. We'll have to vote against this, but we get the point. This is all about doing initiatives that are going to reduce greenhouse gas and not to pay for already funded initiatives.

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

**Mr. Peter Tabuns:** I just note, Chair, that—I'll take the member at his word—if the government wanted to do that, they could have specified "with the exception of refunding for these specific projects." As it is, things are wide open. I have to say, this minister or a future minister will be under huge pressure to move money out of the cap-and-trade account, the greenhouse gas reduction account, to help other ministers and other departments that need cash. To the extent that we protect the integrity of the bill and the greenhouse gas reduction account, we allow the minister of the day or the future minister to actually do what they're supposed to do with this money.

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

**Mrs. Gila Martow:** I think that it's a little jaded if we're collecting money from the people of Ontario for reducing emissions and that money is being played with. For example, it's already been suggested by this government that they may use some of the funds to build infrastructure in order to get to some of these projects. That's infrastructure that was needed anyhow for those areas of the province.

I think that we really have to show the citizens of Ontario that we're serious about this and that we're actually collecting the money for a purpose. We have to be very specific. By not agreeing to being more specific, it makes the public even more jaded, not less jaded.

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

**Mr. Jim McDonell:** Well, I think we only have to look at this year's budget. If you go back two budgets ago, when they were talking about, during the election,

the same infrastructure spending, it had no gas tax included in the general revenue. According to their documents, this infrastructure funding was all funded out of the cash flows that they showed.

They also guaranteed during that election that they wouldn't be instituting a cap-and-trade tax. Now we see, all of a sudden, that it's required to meet their requirements. That just goes to say that we see them using this as general revenue. I mean, why you would need—when you're collecting \$65 million more than when you came to power, more than double, and you still need to apply another tax to actually do your basic spending.

I don't know why they wouldn't buy this. They're talking about creating a fund for initiatives for strictly the greenhouse gas reduction. On the other hand, we see that, really, they want to create their own slush fund and have the ability to spend it wherever. The hospital in Hamilton is a great example of the tricks we find this government doing. It's only through some keen investigative work that we find these issues out. I guess they have a lot more people trying to find places to hide the money they're collecting.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 48.

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

**The Chair (Mr. Grant Crack):** There is a request for a recorded vote. That shall be entertained.

#### Ayes

McDonell, Tabuns.

#### Nays

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion 48 defeated.

1500

We shall move to Mr. Potts's motion number 48.1, which is a proposal of a new subsection 68(3.1). Mr. Potts.

**Mr. Arthur Potts:** I will withdraw that motion at this time.

**The Chair (Mr. Grant Crack):** Mr. Potts's motion 48.1 is withdrawn.

We shall move to PC motion number 48.1.1, which is a proposal for a new subsection 68(3.1). Mr. McDonell.

**Mr. Jim McDonell:** That is a duplicate and we will withdraw that, too.

**The Chair (Mr. Grant Crack):** PC motion number 48.1.1 is withdrawn.

We shall move to PC motion number 48.1.2, which is an amendment proposing a new subsection 68(3.1). Mr. McDonell.

**Mr. Jim McDonell:** I move that section 68 of the bill be amended by adding the following subsection:

“Minister's evaluation

“(3.1) The minister's evaluation mentioned in subsection (3) shall contain a detailed summary of the financial costs that the initiative will have on the government and the municipalities, businesses and members of the public affected by the initiative.”

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

**Mr. Jim McDonell:** Time and time again, we have seen this government fail to consider the costs of its policies. The Liberals have a regulatory policy that requires all regulations to undergo a thorough impact assessment, yet they ignore it every time. The Green Energy Act, for example, was rammed through this Legislature with no consideration of the effect on the electricity bills of Ontarians. We see that very clearly in report after report from the Auditor General, who identifies that there was no cost-benefit analysis done of that bill. To stop a repeat of the Green Energy Act, it's important to set legal requirements for the government to think before it regulates.

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

**Mr. Arthur Potts:** I'm not seeing the need for having this additional step, process or delay in the minister's evaluation, so we'll vote against it.

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

**Mr. Jim McDonell:** I'm somewhat disappointed and surprised that they don't want to support our amendment here because really if you're looking at the cost-benefit analysis of this regulation and this act that we're putting through, I think it's important to consider.

We see time and time again where we're now no longer competitive in the market. We're very much afraid that this is just more of taking money out of the economy. Because if one thing is for sure, it's that the government is never as efficient as the private sector for spending money. We just see that it's more of a slush fund with no regulations about where they spend it, how they spend or how much they take.

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? There being none, I shall call for the vote on PC motion 48.1.2.

Those in favour? Those opposed? I declare PC motion 48.1.2 defeated.

We shall move to government motion 48.1.2.1, which is a proposal for a new subsection 68(3.1), which is in your new package. Mr. Potts.

**Mr. Arthur Potts:** I move that section 68 of the bill be amended by adding the following subsection:

“Public notice re: evaluations

“(3.1) At least once during each fiscal year, the minister shall make a report available to the public about the evaluations provided under subsection (3) to Treasury Board during the year with respect to initiatives that are funded from the greenhouse gas reduction account.”

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

**Mr. Arthur Potts:** This is the motion I was speaking to earlier when we voted down earlier motions from the PCs, where we recognize the need that the minister should have a detailed accounting of the evaluations that were taking place. This is the issue that the financial accounting officer was putting before us. He wanted to see the assessments of what was being put to the Treasury Board so that he could do a proper assessment of them. I think this meets that objective. From our discussions with the Financial Accountability Office, this is what they were looking for. We're pleased to put this thing forward.

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

**Mr. Peter Tabuns:** I would say, Chair, that a report about the evaluations is unlikely to be as detailed as the evaluations themselves. It would be useful to know if the government is saying that all the evaluations will be bound together and incorporated into this report or whether this will be simply a summary of the evaluations.

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

**Mr. Arthur Potts:** It's a fair question. There has to be a balance here between cabinet confidentiality of the various programs that are being evaluated and the ones that have been chosen through the cabinet process to go forward. For the ones that are in front of them but don't go forward, it's unlikely to see details about those. But for the ones that go forward, the ones that the public are paying for, that's where the accountability will be.

There will be a very clear understanding for the Financial Accountability Officer of where the decisions were made. That's the kind of information that he needs to move forward with, not the speculations and other things that may have been in front of cabinet committee or the Treasury Board, because that's subject to confidentiality discussions.

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

**Mr. Jim McDonell:** Yes, I'm somewhat concerned. We talk about the wording of it: "make a report available to the public about the evaluations provided under subsection (3) to Treasury Board..." Nowhere does it talk about 100% of the programs being referred back. It's just talking about a report of the evaluations that are provided to the Treasury Board.

There's some concern. I don't think that it really ties the government to ensure that every dollar that is spent from this greenhouse gas reduction account is actually accounted for to the public, and what the purpose is and who received these funds.

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

**Mr. Arthur Potts:** Just to begin, it's a fair question. But if the member looks, it will give details of all the initiatives that are funded. For every dollar that comes out of that plan, you will understand why it came out and under what project it came out. That's the important con-

sideration here. I think that you'll be very satisfied with that end result.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 48.1.2.3.

**Mr. Arthur Potts:** Recorded.

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

**Mr. Peter Tabuns:** Sorry, 48.1.2.1?

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

**Mr. Peter Tabuns:** You said 48.1.2.3.

**The Chair (Mr. Grant Crack):** Let's do that again: government motion 48.1.2.1.

**Mr. Peter Tabuns:** Okay. We're on the same page.

**The Chair (Mr. Grant Crack):** I would like to thank Mr. Tabuns for pointing out that slip of the tongue.

I'll call for the vote. It's recorded.

### Ayes

Hoggarth, Malhi, McMahon, Potts, Rinaldi, Tabuns.

**The Chair (Mr. Grant Crack):** I declare government motion 48.1.2.1 carried.

**Mr. Peter Tabuns:** Chair, before you proceed, could we have a five-minute break?

**The Chair (Mr. Grant Crack):** There has been a request for a five-minute break. Granted. Five-minute recess: It is now 3:07. We'll see you at 3:12 or 3:13.

*The committee recessed from 1507 to 1515.*

**The Chair (Mr. Grant Crack):** Okay, everybody. It's 3:15. Mr. Tabuns's five minutes turned into seven. I shall call the meeting back to order.

**Mr. Lou Rinaldi:** You're too generous, Chair.

**The Chair (Mr. Grant Crack):** I was just thinking of you, Mr. Rinaldi.

We are back at clause-by-clause consideration. We are at PC motion 48.1.3, which proposes a new subsection, 68(3.2). Mr. McDonell.

**Mr. Jim McDonell:** I move that section 68 of the bill be amended by adding the following subsection:

"Restriction re: renewable energy projects

"(3.2) No amount is payable under paragraph 2 or 3 of subsection (2) with respect to initiatives described in subparagraph 1 i of subsection 1(1) of schedule 1 to this act unless demand for renewable energy exceeds its supply."

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

**Mr. Jim McDonell:** The Auditor General revealed that this government has already wasted \$9.2 billion on renewable energy that we don't need. This government is now trying to hand even more money to this industry, and we believe that no funding should be awarded to the renewable energy sector unless energy demand exceeds the current supply.

We see this—we are now paying so much for energy. We're paying our neighbours to take the energy that we don't need. We've got contracts in place that do not

allow the flexibility for us not to take the power if we don't need it. We're overflowing our dams and letting the water—the potential energy is wasted. Nuclear power: We're blowing off steam, but that steam has to be paid for. So we're not saving any money. We see, just last month, or, I guess yesterday, the price of electricity going up because we're not using all the hydro that we're purchasing and, of course, somebody has got to pay for it. You can give away all you want, but the government contracts that have been put in place are requiring that top dollar be paid for this energy. It's hurting our industry; it's hurting the small person—the lower-income people who now are forced to choose between—it's easy to say, “heating your home or eating,” but if you decide not to pay your hydro bill, then you all of a sudden get hit with a large bill down the road to reconnect. It just goes to show the fact that we do not have an integrated plan that really looked at the overall cost of where we're trying to go. The PCs kicked off the closing of the coal plants—the power was there. But now we've certainly oversupplied ourselves with unneeded energy.

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

**Mr. Arthur Potts:** Yes, thank you. I'm a little concerned about this motion because the notion that you have to wait for demand to exceed supply means you may be too late and you've missed an opportunity. I'm reminded of what Sir John A. Macdonald used to say about drinking gin: “Sometimes a little bit too much is just the right amount”—the notion being there that, in any kind of supply system, you want to make sure you have enough to fill demand and there will be a little excess on the fringes.

So we'll be voting against this motion. It's too restrictive.

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

**Mr. Jim McDonell:** Yes. I'll have to clarify that the quote from Sir John A.—of course, he was listening to the Liberal government, so a little extra gin was always worthwhile.

**The Chair (Mr. Grant Crack):** Further discussion? I shall call for the vote on PC motion 48.1.3.

**Mr. Jim McDonell:** I'd like a recorded vote.

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

#### Ayes

McDonell.

#### Nays

Hoggarth, Malhi, McMahan, Potts, Rinaldi, Tabuns.

**The Chair (Mr. Grant Crack):** I declare PC motion 48.1.3 defeated.

We shall move to government motion 48.2, which is an amendment to subsection 68(3.1). Mr. Potts.

1520

**Mr. Arthur Potts:** I will be withdrawing that motion.

**The Chair (Mr. Grant Crack):** Mr. Potts has indicate withdrawal.

So just for clarification for members of committee, the only time we would withdraw a motion is once it's been moved. So if, at any time, members of the committee would like to not move a motion, just please indicate, “We will not be moving that particular motion,” as opposed to using the word “withdraw,” because there are two distinct definitions of those in legislative parliamentary procedure. Is that fair?

**Mr. Arthur Potts:** Fair enough.

**The Chair (Mr. Grant Crack):** I shall try to guide you as we move forward.

*Interjection.*

**The Chair (Mr. Grant Crack):** A point of clarification: Mr. McDonell.

**Mr. Jim McDonell:** I'm not sure, but most of the withdraws are because the same one has been moved, sometimes three times. Is it just emailing, that we sent the same things? I'm just wondering why. It happens quite a bit, just in the way the system has worked.

**The Chair (Mr. Grant Crack):** We'll allow the Clerk. She'll probably provide clearer definition on that, as to why there are so many of the same motion.

**Mr. Jim McDonell:** I see that one time the same amendment went through three times in a row. It must be something—or maybe it was amended. I'm just trying to figure out why that would happen.

**The Clerk of the Committee (Ms. Sylwia Przewdziecki):** These are all the filed motions; they're not moved until you've put them on the record. The package contains the motions that were filed with my office relating to this—

**The Chair (Mr. Grant Crack):** Sorry—and then subsequently, there would be more motions forwarded and you've duplicated them? And she has to add that.

**The Clerk of the Committee (Ms. Sylwia Przewdziecki):** Yes. Our policy is never to remove motions from a package. So if a package is filed and a subsequent package is filed, I wouldn't take the initiative to take some out and put some back in; I would just simply add the second package.

**Mr. Jim McDonell:** Okay.

**The Chair (Mr. Grant Crack):** Thank you very much. Moving along, we shall move to NDP motion 49, which is an amendment proposing a new subsection, 68(3.2). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 68 of the bill be amended by adding the following subsection:

“Further restriction

“(3.2) No amount is payable under subsection (2) with respect to a program that is not included in the climate action plan.”

Chair, again, this is an attempt to ensure that the funds that are paid out of the cap-and-trade revenue actually go to elements in the climate action plan, actually go to greenhouse gas emission reductions. My assumption is

that the climate action plan will express in a comprehensive way everything the government wants to do with climate action. So there's no reason that one wouldn't restrict funding to those things that are not in that plan. It strengthens the hand of the minister; and I think, given the pressure from all the other ministers and ministries, whoever is the Minister of the Environment and Climate Change will need as much support as they possibly can get to stay focused on their goal in this area. This also means that the expenditure of funds will have gone through a process of evaluation and comparison with all of the other options for which the money could be used. It means that the utilization of the funds will be more transparent to those who are concerned about this matter.

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

**Mr. Arthur Potts:** In a way, this takes us back to our discussion of 68(1), about what the amounts could be used for. We had a motion that would remove enforcement. I read this motion as saying, once again, that it would take our ability to use these funds to administer and enforce the bill and make it impossible for us to use those funds. Part of the plan is to have the whole accounting system accountable throughout. Therefore, we can't support the motion.

*Interruption.*

**Mr. Lou Rinaldi:** Maybe it's me.

**The Chair (Mr. Grant Crack):** I think we have a ghost. I'll be calling the Sergeant-at-Arms, Mr. Rinaldi, to come and confiscate that phone.

Thank you, Mr. Potts.

**Mr. Lou Rinaldi:** Sorry.

**The Chair (Mr. Grant Crack):** It's okay. It happens. Further discussion? Mr. McDonell.

**Mr. Jim McDonell:** I'm not sure why there would be any resistance to this motion, because really the government is very clear: They want to make sure that they're funding programs within their climate action plan, which can be amended, I'm sure, at any time, through regulation. So if it's not worthy of adding a program to the climate action plan, where really the public can see it and there's some scrutiny to it, I'm not sure why it would be payable or there would be any funds from this cap-and-trade going to any program that they didn't see fit to put in the climate action plan. So we support this. We think it adds transparency. It allows the public to see what plans that, rightly or wrongly, this government or any government in the future is proposing to support. It makes it subject to some scrutiny, it adds clarity and it just seems to be all the things that this government talks about wanting to do, so I'm not sure why they wouldn't follow through.

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

**Mr. Peter Tabuns:** I would just say to the member from Beaches–East York that if the government wanted to cover the cost of enforcement of the funds for climate action, it would list them in the climate action plan and thus everyone would be fully aware of how money was

being spent. If it's spent and it's not listed in the climate action plan, it may be more difficult to trace exactly what money is being spent on. I don't see having a statement in the plan as an insurmountable obstacle to having flexibility; it just means that everything is visible and assessable in one document.

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

**Mr. Peter Tabuns:** I will ask for a recorded vote when we get to it.

**The Chair (Mr. Grant Crack):** Okay, sounds good. Mr. McDonell?

**Mr. Jim McDonell:** It brings up—we don't go back very far. Certainly within my time at this—where we had a commitment from the government of the gas plant movement being something as little as \$40 million. We added everything up, after much investigation by the two opposition parties at the time, and there was well over a billion dollars. So I think that making sure that we only spend money on something that's published and can be tracked down is certainly worthwhile.

**The Chair (Mr. Grant Crack):** Thank you. Further discussion? There being none, there has been a recorded vote request. I shall entertain that. We are ready to vote on NDP motion 49.

#### Ayes

McDonell, Tabuns.

#### Nays

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 49 defeated.

We shall move to Mr. Potts's motion 49.1, which is an amendment proposing the new subsection 68(3.2). Mr. Potts?

**Mr. Arthur Potts:** I will withdraw.

**The Chair (Mr. Grant Crack):** You're choosing not to move it?

**Mr. Arthur Potts:** I'm choosing not to move it.

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

**Mr. Arthur Potts:** Sorry; thank you. I'm choosing not to move it.

**The Chair (Mr. Grant Crack):** All right. We shall move to NDP motion number 50, which is an amendment proposing a new subsection 68(3.3). Mr. Tabuns?

**Mr. Peter Tabuns:** I move that section 68 of the bill be amended by adding the following subsection:

“Financial Accountability Officer

“(3.3) The Financial Accountability Officer under the Financial Accountability Officer Act, 2013 has the right to access the minister's review and evaluation under subsection (3).”

Chair—

**The Chair (Mr. Grant Crack):** Excuse me, Mr. Tabuns. Before you proceed, it's my duty to call this

motion out of order. This motion seeks to introduce elements that are beyond the scope of the bill. An amendment may not seek to accomplish indirectly what it cannot accomplish directly. This motion appears to me to propose an indirect amendment to the Financial Accountability Officer Act, which sets out the access-to-information provisions for the Financial Accountability Officer. So, as I mentioned, I declare this motion out of order.

We shall move to NDP motion number 51, which is an amendment proposing a new subsection 68(3.3). Mr. Tabuns?

**Mr. Peter Tabuns:** I move that section 68 of the bill be amended by adding the following subsection:

“Financial Accountability Officer

“(3.3) The minister’s review and evaluation under subsection (3) shall be structured in such a way as to maximize accessibility to the Financial Accountability Officer under the Financial Accountability Officer Act, 2013.”

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

**Mr. Peter Tabuns:** I know that we aren’t debating my previous motion. The Financial Accountability Officer has certain powers that are prescribed in the Financial Accountability Officer Act. This is simply meant to ensure that those powers are not limited or abrogated in any way by the bill that we’re considering today.

The Financial Accountability Officer made it clear in his presentation to us that accessing this information was critical to him actually carrying out his duties. He suggested that should there be concern about cabinet confidentiality, the reports that are going to be submitted to the Treasury Board about projects could be structured in a way that protected cabinet confidentiality and gave the FAO the appropriate access.

1530

The member for Beaches–East York has previously said that the only ones that will be considered or will be reported on will be those that actually go forward. I have to say to you that if you look at a body of recommendations that come forward to the Treasury Board or cabinet, some may be more effective than others, and some that may be effective may not go forward, at which point one starts to ask questions as to what exactly happened. Why did an effective initiative get sidelined, and another less effective or ineffective initiative go forward?

I think it’s going to be important for the FAO and for the Legislature to carry out their duties to have this amendment, this motion, adopted by this committee and incorporated into the bill.

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

**Mr. Arthur Potts:** We heard very clearly what the Financial Accountability Officer wanted and we discussed it in the two previous motions, which I think addressed the substantive concerns. It shouldn’t be his role to be getting into the details of a cabinet committee discussion. It doesn’t become the business of the government until it has been approved by the government, and

that’s where his judgment about what the best output of money and results would come from will be in the documents that are from him and that have been approved through the process.

So we’ll vote against this. I think we will continue to work with the Financial Accountability Officer to make sure he or she has all the information needed to make the analysis necessary based on the initiatives that are moving forward.

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

**Mr. Jim McDonell:** Well, certainly we have concerns about the lack of powers of the Financial Accountability Officer. It’s not that long ago where, I believe, all of the independent officers signed a letter asking this government to go back on its restrictions that were imposed either in last year’s budget or the year before. We heard him very clearly say that he would not be able to fulfill his role of pricing up some of the programs to make sure that what the government is proposing actually makes sense. I guess there have been many, many cases over the years where we’ve seen they don’t make sense, or at least that the end result is that programs are much more expensive.

You can imagine what might have happened if he had reviewed the movement of the gas plants. We might have saved over a billion dollars, because I’m sure that—if I give the government some credit, I would assume they wouldn’t have moved ahead if they had ever thought it would come out to anywhere near where it is, especially when we’re building a plant like we are in Bath where, the year before, they were using less than 1% of the power capacity there because we just don’t need the power. We’re duplicating another plant there. It really makes you wonder why—it adds considerable costs.

We think it’s important that the Financial Accountability Officer be able to provide information on government programs to ensure that we’re getting value for our dollar.

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

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

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

**Ayes**

McDonell, Tabuns.

**Nays**

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 51 defeated.

We shall move to NDP motion number 52, which is an amendment to subsection 68(4). Mr. Tabuns?

**Mr. Peter Tabuns:** I move that that subsection 68(4) of the bill be amended by striking out “expenditures” and substituting “direct costs”.

Chair, this is consistent with the arguments I made earlier today about transparency and about the need to make the accounting easy to follow. “Direct costs” is a much finer category than simply “expenditures.” This is where the language needs to move on this bill to protect its integrity and credibility.

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

**Mr. Arthur Potts:** Yes, I think the word “expenditures” is keeping this consistent with the other words throughout the bill. We’ll vote against this motion accordingly.

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

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

**The Chair (Mr. Grant Crack):** Mr. Tabuns has requested a recorded vote. No further discussion? Then I shall call the recorded vote.

#### Ayes

Tabuns.

#### Nays

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 52 defeated.

We shall move to NDP motion number 53, which is an amendment to subsection 68(4). Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you, Chair. I move that subsection 68(4) of the bill be amended by striking out “November 1, 2015 and before this section comes into force” and substituting “January 1, 2017.”

Chair, this is consistent with the recommendations of environmental NGOs—in particular, Environmental Defence—whose interest here is to ensure that the funds that are raised are spent on new additional projects that actually advance the project of containing and slowing global warming.

The looser the language is here, the more likely it is that the funds will be expended on projects that have already been covered by the government or be used for projects that have very little relevance to the actual battle against greenhouse gas emissions.

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

**Mr. Arthur Potts:** Once again, all of the expenditures will be in accordance with initiatives that are designed to reduce greenhouse gases or be part of administration and enforcement, and will be reasonably likely, or will be indirectly, supporting that.

I know that there’s some concern that that won’t be greenhouse gas reduction initiatives, but I can assure the

member that the expenditures that were made prior to this bill coming into force were expenditures that anticipated that this bill would come into force—the \$350 million announced in the last budget—and should qualify because we are talking early action. I know that it’s in the member’s best interest that we do take early action and start going down that road of reducing greenhouse gases.

We will vote against this because there are expenditures already in place in anticipation that are very important to be continued to move forward with.

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

**Mr. Jim McDonell:** We’re very much concerned that we are making expenditures and collecting this tax before our neighbours to the south are. We’d be much better off, in our opinion, to work with the United States and Mexico to make sure that we have a comprehensive program that goes across the board and keeps us competitive.

I know that this government is jumping in. We’ve seen that they’ve thrown the money into general revenue in this year’s budget, so we can’t even look at what some of their plans are, if we were to trust them. But even if you take it at face value that they really are going to spend this money on true greenhouse initiatives, you’re collecting money from a population that is already over-taxed and is already seeing that we’re unaffordable and uncompetitive.

We see this as a concern. We really are worried that, by the time our other neighbours get in line with what’s going on here—and a lot will be determined this year in the election to the south—we may be bankrupt well before that. This government is taking us to a huge debt. There is only so much money now. They’re transferring this debt over to the public, as they must go back and borrow more money to stay in business for the ones who can’t move. Anybody who can move is moving.

We will be supporting this.

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

**Mr. Peter Tabuns:** Recorded, please.

**The Chair (Mr. Grant Crack):** Mr. Tabuns has requested a recorded vote. Further discussion? There being none, I shall call the vote on NDP motion number 53.

#### Ayes

McDonell, Tabuns.

#### Nays

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 53 defeated.

We shall move to PC motion 53.1, which is an amendment to subsection 68(4). Mr. McDonell.

**Mr. Jim McDonell:** We will not move it.

**The Chair (Mr. Grant Crack):** PC motion 53.1 is not to be moved.

We shall move to PC motion number 53.2, which is an amendment to subsection 68(4). Mr. McDonell.

**Mr. Jim McDonell:** We will not be moving that one as well.

**The Chair (Mr. Grant Crack):** PC motion number 53.2 is not to be moved.

We shall move to NDP motion number 54, which is an amendment to subsection 68(5). Mr. Tabuns.

1540

**Mr. Peter Tabuns:** I move that subsection 68(5) of the bill be amended by striking out “expenditures” wherever it occurs and substituting “direct costs” in each case.

I think I’ve made the argument earlier about the need for transparency and integrity in the bill. I think that adopting this amendment, this motion, strengthens the bill and should be supported. Should it come to a vote—recorded, please.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the recorded vote on NDP motion number 54.

#### Ayes

Tabuns.

#### Nays

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 54 defeated.

We shall move to PC motion number 54.1, which is an amendment to subsection 68(5). Mr. McDonell.

**Mr. Jim McDonell:** We will not be moving that motion.

**The Chair (Mr. Grant Crack):** PC motion 54.1 is not moved.

We shall move to PC motion number 54.2, which is an amendment to subsection 68(5). Mr. McDonell?

**Mr. Jim McDonell:** It is dependent on the previous motion, so we will not move that one either—the previous motion that did not pass.

**The Chair (Mr. Grant Crack):** PC motion 54.2 is not moved.

We shall move to PC motion number 54.3, which is an amendment to subsection 68(5), which is in your extra package. Do you want to take a few seconds to find that? It’s 54.3, a PC motion.

**Mr. Jim McDonell:** Yes.

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

**Mr. Jim McDonell:** Again, we will be withdrawing that motion as well.

**The Chair (Mr. Grant Crack):** PC motion 54.3 is not moved.

NDP motion number 55 is an amendment proposing new subsections 68(5.1) and (5.2). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 68 of the bill be amended by adding the following subsections:

“Regulations

“(5.1) The Lieutenant Governor in Council may make regulations for the purpose of facilitating the transparency of the operations of the greenhouse gas reduction account.

“Auditor General

“(5.2) The Auditor General shall include in the Auditor General’s annual report an assessment of whether the greenhouse gas reduction account has been administered in accordance with this act.”

**The Chair (Mr. Grant Crack):** Excuse me, Mr. Tabuns; I have to call this one out of order as well. This motion seeks to introduce elements that are beyond the scope of the bill. An amendment may not seek to accomplish indirectly what it cannot accomplish directly. This motion appears to me to propose an indirect amendment to the Auditor General Act, which establishes the contents of the Auditor General’s annual report. Again, therefore it’s out of order.

We shall move to PC motion number 55.1, which is proposing a new subsection, 68(5.1). Mr. McDonell.

**Mr. Jim McDonell:** We will not move that motion.

**The Chair (Mr. Grant Crack):** PC motion 55.1 is not moved.

We shall move to PC motion 55.2, which is an amendment proposing a new subsection, 68(5.1). Mr. McDonell.

**Mr. Jim McDonell:** I move that section 68 of the bill be amended by adding the following subsection:

“Public notice

“(5.1) The minister shall publish a description of each initiative in the Environmental Registry established under section 5 of the Environmental Bill of Rights, 1993 at least 60 days before an amount is payable under paragraph 2 or 3 of subsection (2) in respect of the initiative.”

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

**Mr. Jim McDonell:** I think Ontarians are expecting greater transparency and consultation. Far too many times we see the government making decisions behind closed doors. It’s time to shine some light on Liberal policy-making, which too often benefits their friends. The amendment will strengthen transparency and engage Ontarians in the decision-making process for initiatives paid out of this account.

We want to make sure that this bill is as open and transparent as possible. We want the public to have some knowledge of some of the initiatives and some time to judge them.

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

**Mr. Arthur Potts:** It’s our assessment that—I’m sorry, where are we again?—under the Environmental Bill of Rights, there are very broad regulations in place that have access to this information already. The action plan, the progress reports and the use of proceeds are all subject to regular reporting. As a result, we will not support this measure.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on PC motion 55.2.

Those in favour? Those opposed? I declare PC motion 55.2 defeated.

We shall move to NDP motion number 56, which is an amendment to subsection 68(6). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 68(6) of the bill be amended by striking out “or indirectly” in paragraph 3.

Again, Chair, I’ve made the argument earlier today that the use of the term “indirectly” opens the door on a wide variety of actions that may have, at best, a tenuous relationship to greenhouse gas emissions reduction. I see no reason to include “or indirectly” in this subsection.

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

**Mr. Arthur Potts:** I agree, we’ve had that discussion. We’re of the opinion that we need to protect those measures that indirectly support infrastructure that will support greenhouse gas emissions, so we’ll vote against this motion.

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

**Mr. Jim McDonell:** Well, we’re just concerned that this really opens up the fund to be strictly a slush fund. There’s no direct tie-in. If we’re really looking at the reduction of carbon, we should be looking at picking out the lowest hanging fruit and looking at making a difference here. Letting this government decide what they believe is in and out of a carbon reduction plan is a bit like putting the fox in the henhouse. We see far too often where money has just disappeared and it’s taken a lot of investigative power to find that it’s been wasted. So we will be supporting this.

**The Chair (Mr. Grant Crack):** Further discussion on NDP motion 56? There being none, I shall call for the vote on NDP motion 56.

Those in favour? Those opposed? I declare NDP motion 56 defeated.

We shall move to NDP motion number 57, which is an amendment to subsection 68(6). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 68(6) of the bill be amended by striking out “and enforcement” in paragraph 3.

Again, Chair, I don’t think that enforcement should be paid for out of the proceeds of the greenhouse gas reduction initiatives.

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

**Mr. Arthur Potts:** Actually, it’s an interesting irony that if you don’t have it in the report, since it’s already been agreed that it could be paid for, you’ll actually have an omission in the report that doesn’t include that amount. In order to have a full understanding of the expenditure, because we’re already allowing enforcement to be covered under the fund, it needs to be in the report about the expenditures of the fund—the same reason in the previous motion. We’ll vote against this one so that

the public can have all of the information of what was expended.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion 57.

Those in favour? Those opposed? I declare NDP motion 57 defeated.

We shall move to PC motion 57.1, which is an amendment to subsection 68(6) and a new paragraph. Mr. McDonell.

**Mr. Jim McDonell:** We will not move that motion.

**The Chair (Mr. Grant Crack):** PC motion 57.1 is not moved.

We shall move to PC motion 57.2, which is an amendment to subsection 68(6), with a new paragraph. Mr. McDonell.

**Mr. Jim McDonell:** I move that subsection 68(6) of the bill be amended by adding the following paragraph:

“3.1 The estimated per tonne greenhouse gas reductions of each of the initiatives with respect to which amounts were charged to the account during the year, and the total cost of those initiatives.”

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

**Mr. Jim McDonell:** We see the—

*Interjection.*

**The Chair (Mr. Grant Crack):** Just for clarification purposes, I believe the last part of the motion read “and the total cost of each of those initiatives.”

**Mr. Jim McDonell:** That’s right. Okay. Sorry if I misread that.

The collection of sound data is essential to monitor outcomes and gauge progress. The standard international measurement of emissions is metric tonnes. The amendment will ensure that government reporting will meet international standards. It will also provide sound, quantifiable data to track overall emission trends in the province.

Time and time again, we see this government fail to consider the cost of its policies. The Liberals have a regulatory policy that requires all regulations to undergo a thorough impact assessment, yet again, as we’ve mentioned before, they ignore this. So we are proposing this for that reason.

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

1550

**Mr. Arthur Potts:** I’m not sure that this type of information belongs in this report, a report which is looking at the actual inflows and outflows of the account. It’s excellent information. It will be contained, I believe, in the greenhouse action plan, where you’ll be able to see a connection between the expenditures and the greenhouse gas tonnage reductions. So we’ll vote against it because it doesn’t belong in the annual report on the account.

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

**Mr. Jim McDonell:** I just wonder why you wouldn’t want this in the annual report. Any time when there’s

clarification brought to the actions of the government, I think that's a positive thing. The Green Energy Act, for example, was rammed through the Legislature with no consideration of the effect on electricity bills, and we see what we have today. We want to stop this from happening again. The government will have to publish its estimates, and we want to be able to track them at the end of the year to account for it.

**The Chair (Mr. Grant Crack):** Further discussion on PC motion 57.2? There being none, I shall call for the vote.

Those in favour of PC motion number 57.2? Those opposed? I declare PC motion 57.2 defeated.

We shall move to NDP motion number 58, which is an amendment to subsection 68(6). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 68(6) of the bill be struck out and the following substituted:

“Transparency

“(6) The minister shall ensure that an annual report for the greenhouse gas reduction account is published on a website during each fiscal year that includes, at a minimum,

“(a) the opening and closing account balance for that fiscal year;

“(b) a statement of cash inflows and outflows broken down by activities described in each paragraph of subsections 68(1) and (2);

“(c) a description of the initiatives and reimbursements under subsection 68(2) that were funded from the greenhouse gas reduction account, including the amount of the funding for each initiative or reimbursement; and

“(d) such other information as may be prescribed by regulation.”

Again, Chair, the idea is to make the flows of money in and out of the account as transparent as possible, giving the bill greater credibility and integrity.

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

**Mr. Arthur Potts:** I'm not quite sure why we need to rethink what the account looks like. I think the description is given already in subsections 6(1) to (4). It's fairly clear about a detailed accounting of what's going in and out of this account. It shows the flows. It'll be very open and transparent on what's in there. I'm not going to second-guess the drafters of this legislation with this piece. We'll vote against this motion.

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

**Mr. Jim McDonell:** I think that if you look at the track record, I don't know what would be in this that would be of concern to the government. The opening and closing account balance seems quite a reasonable statement of the inflows and outflows broken down by activities, and a description of the initiatives and reimbursements. These are all things that will go into the final report. Having clear totals on the balance sheet shouldn't affect anybody. I think it's something the government would want—at least, an open and transparent government.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 58—

**Mr. Peter Tabuns:** Recorded.

**The Chair (Mr. Grant Crack):** —at the request of a recorded vote, which shall be entertained.

### Ayes

McDonell, Tabuns.

### Nays

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 58 defeated.

We shall move to NDP motion number 59, which is an amendment to subsection 68(7). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 68(7) of the bill be struck out and the following substituted:

“Same

“(7) The minister shall lay the report before the assembly in May of every year, or, if the assembly does not sit in May in a year, at the earliest possible opportunity after May.”

Chair, the original text talks about laying the report before the assembly at the earlier reasonable opportunity. That, I think, is a bit too flexible. It needs to be specified when the report will be brought forward. One can never tell if the earliest reasonable opportunity is an annual thing or not. This makes it annual.

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

**Mr. Arthur Potts:** We certainly again support the principle of this. We want the information out there in a timely manner, and that's what the intent of the original drafting is. We'll be bringing forward later a motion that will address this concern in a little more detail. We would like to see it when the public accounts are laid before the assembly for that year to make it coincidental with the public accounts. I think that would achieve the objectives that the member from Toronto–Danforth is seeking.

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

**Mr. Jim McDonell:** We think that May is an appropriate time. We're a little concerned that, if we don't put something in, as Mr. Tabuns says, we may never see this report. We think it's quite reasonable to put a date on it. In the first part of the year, you're making your decisions for that current year. Of course, you need to know the results of the past year before you can make new targets.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 59.

Those in favour? Those opposed? I declare NDP motion 59 defeated.

We shall move to government motion 59.1, which is an amendment to subsection 68(7). Mr. Potts.

**Mr. Arthur Potts:** Yes, there it is. This is the motion I was referring to on the previous motion.

I move that subsection 68(7) of the bill be struck out and the following substituted:

“Same

“(7) The minister shall lay the report before the assembly when the public accounts for the year are laid before the assembly in accordance with the Financial Administration Act.”

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

**Mr. Arthur Potts:** Again, this just provides very certain timing, that people will know when it’s coming and they can be aware when it’s coming. It takes the flexibility that was being a concern—when we talked about the earliest reasonable opportunity—out of the equation.

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

**Mr. Arthur Potts:** Recorded.

**The Chair (Mr. Grant Crack):** —on government motion 59.1, which is a recorded vote request.

#### Ayes

Hoggarth, Malhi, McMahon, Potts, Rinaldi, Tabuns.

**The Chair (Mr. Grant Crack):** Those opposed? I declare government motion 59.1 carried.

We shall move to PC motion 59.2, which is proposing a new subsection, 68(8). Mr. McDonell.

**Mr. Jim McDonell:** I move that section 68 of the bill be amended by adding the following subsection:

“Access by Financial Accountability Officer

“(8) The Financial Accountability Officer shall have access to all documents that are in the custody or under the control of the crown and that relate to amounts charged to the greenhouse gas reduction account and paid out of the Consolidated Revenue Fund.”

**The Chair (Mr. Grant Crack):** Mr. McDonell, I will have to declare this particular motion out of order as well, as it speaks to introduced elements that are beyond the scope of the bill. An amendment may not seek to accomplish indirectly what it cannot accomplish directly. This motion appears to me to propose an indirect amendment to the Financial Accountability Officer Act, which sets out the access-to-information provisions for the Financial Accountability Officer. Again, therefore, it is out of order.

**Mr. Jim McDonell:** Chair, can I just—

**The Chair (Mr. Grant Crack):** There is no discussion when there’s a ruling on an out of order. If there’s another point or for clarification—

*Interjection.*

**The Chair (Mr. Grant Crack):** Mr. McDonell, I’ll entertain some questions.

**Mr. Jim McDonell:** I just want to discuss why would the—we’re only talking about the documents, which is not really changing his role. He has a role in this bill. We’re just asking—

**The Chair (Mr. Grant Crack):** I apologize, but I think you’re questioning the ruling of the Chair. I’ve ruled it out of order. We’ll have to continue to move on.

That’s it for the proposed amendments for section 68. There were four amendments. We shall deal with section 68, as amended. Is there any final discussion on section 68?

**Mr. Arthur Potts:** Recorded.

**The Chair (Mr. Grant Crack):** I believe I heard a request for a recorded vote. There is no discussion. Shall section 68, as amended, carry?

#### Ayes

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

#### Nays

McDonell.

**The Chair (Mr. Grant Crack):** I declare section 68, as amended, carried.

We shall move to NDP motion 60, which is proposing a new section, 68.1. Mr. Tabuns.

1600

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

“Auditor General

“68.1 The Auditor General shall have the authority to audit the records and operations under this act, including operations that have been delegated to persons and entities that are not agents of the crown.”

**The Chair (Mr. Grant Crack):** Mr. Tabuns, I’ll have to rule this one, as well, out of order. This motion seeks to introduce elements that are beyond the scope of the bill. An amendment may not seek to accomplish indirectly what it cannot accomplish directly. This motion appears to me to propose an indirect amendment to the Auditor General Act. Therefore, it is out of order.

We shall move to NDP motion number 61, which is proposing a new section, 68.2. Mr. Tabuns.

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

“Auditor General and emissions

“68.2 The Auditor General shall audit and report annually on the processes by which an amount of greenhouse gas emissions is attributed to any of the following:

“1. Allowances, offsets, credits and other instruments under this act.

“2. Actions under subsection 7(1).

“3. Cap-and-trade account balances and transactions.

“4. Verification statements under section 11.

“5. Initiatives under subsection 68(2).

“6. Registered participants.

“7. The province’s greenhouse gas inventory and parts thereof.

“8. Anything else to which an amount of greenhouse gas emissions is attributed.”

**The Chair (Mr. Grant Crack):** Mr. Tabuns, I must also call this motion out of order as it seeks to introduce elements that are beyond the scope. In particular, it appears to propose an indirect amendment, again, to the Auditor General Act. Again, this motion is out of order.

We shall move to section 69. We will move to NDP motion number 62, which is an amendment to subsection 69(1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 69(1) of the bill be amended by striking out “or other persons”.

Chair, my purpose here is to ensure that the administration of this bill is carried out by the ministry and by civil servants; that it not be turned over to private operators. Thus, the words “or other persons” are struck out.

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

**Mr. Arthur Potts:** As much as I wanted the job, I think the member is right, and we’re going to support this motion.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 62.

Those in favour of NDP motion 62? Those opposed? I declare NDP motion number 62 carried.

We shall move to NDP motion number 63, which is an amendment to subsection 69(3). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 69(3) of the bill be amended by striking out “or other person”.

Again, Chair, it follows the arguments I made with my previous motion: that the operation of the act be retained within the Ontario public service.

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

**Mr. Arthur Potts:** I’d like to have this co-operation recorded in a vote.

**The Chair (Mr. Grant Crack):** Very good. Further discussion? There being none, I shall call for the vote on NDP motion number 63. Recorded.

#### Ayes

Hoggarth, Malhi, McDonell, McMahon, Potts, Rinaldi, Tabuns.

**The Chair (Mr. Grant Crack):** There are none opposed. I declare NDP motion number 63 carried.

We shall move to section 69, as amended with those two amendments. Is there any discussion on section 69, as amended? Then I shall call for the vote.

Shall section 69, as amended, carry? Carried.

We shall move to section 70. Is there any discussion on section 70? There being none, I shall call for the vote.

Those in favour of section 70? Carried.

We shall move to section 71. There is NDP motion number 64, which is an amendment to section 71. Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 71 of the bill be struck out and the following substituted:

“Delegation by minister

“71. The minister may delegate any of the minister’s powers or duties under this act to a public servant and may impose restrictions with respect to the delegation.”

Chair, I understand that the minister can’t do everything—the day is only so long; there are only so many hours—and that the minister may need to delegate some powers to a public servant, and that the minister needs to have the authority to put restrictions on that delegation.

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

**Mr. Jim McDonell:** I don’t see much difference between what was struck out and what’s here. Is it just to get rid of (1)?

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

**Mr. Peter Tabuns:** Previously, we were dealing with 69(3); this is 71. The principle is one that the government supported on 69(3), so I don’t see why it wouldn’t support it on 71.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 64—

**Mr. Peter Tabuns:** Recorded.

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

#### Ayes

Tabuns.

#### Nays

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 64 defeated.

There are, therefore, no amendments to section 71. Any discussion on section 71 in its entirety? There being none, I shall call for the vote.

Shall section 71 carry? I declare section 71 carried.

We shall move to NDP motion number 65, proposing a new section, 71.1. Mr. Tabuns.

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

“Application of other acts

“71.1 For greater certainty, the following apply with respect to every person to whom any power under this act is delegated:

“1. The Freedom of Information and Protection of Privacy Act.

“2. The Auditor General Act.

“3. The Ombudsman Act.

“4. the Lobbyists Registration Act, 1998.

“5. the Environmental Bill of Rights, 1993

“6. The Canadian Charter of Rights and Freedoms”

Chair—

**The Chair (Mr. Grant Crack):** I apologize, Mr. Tabuns. I’m going to have to call this one out of order, as well. It seeks to introduce elements that are beyond the scope of the bill. The scope of the bill set at second

reading represents the reasonable limits of its collective purposes as defined by its existing clauses and schedules—

**Mr. Lou Rinaldi:** Suspend.

**The Chair (Mr. Grant Crack):** This motion appears to me to propose an amendment that goes beyond those reasonable limits. Therefore, again, it is out of order.

Thank you, Mr. Rinaldi.

**Mr. Lou Rinaldi:** I'm just trying to help.

**The Chair (Mr. Grant Crack):** Okay. We shall move to section 72. There are no amendments. Is there any discussion on section 72? There being none, I shall call the vote.

Shall section 72 carry? I declare section 72 carried.

We are going to move to section 73, and we have PC motion 65.1, which is an amendment to subsection 73(1). Mr. McDonell.

**Mr. Jim McDonell:** We're not moving 65.1.

**The Chair (Mr. Grant Crack):** PC motion 65.1 is not moved.

We shall move to PC motion number 65.2, which is an amendment to subsection 73(1). Mr. McDonell.

**Mr. Jim McDonell:** I move that subsection 73(1) of the bill be amended by adding "After December 31, 2020" at the beginning.

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

**Mr. Jim McDonell:** If the government proceeds, it must delay any agreements to integrate its scheme with another jurisdiction until after the second compliance period.

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

**Mr. Arthur Potts:** We're not interested in delaying the implementation of this bill. We'll be voting against this so that we can plow ahead.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on PC motion 65.2.

Those in favour of PC motion 65.2? Those opposed? I declare PC motion 65.2 defeated.

We shall move to NDP motion number 66, which is proposing a new subsection, 73(1.1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 73 of the bill be amended by adding the following subsection:

"10-year outlook

"(1.1) Before entering into an agreement under subsection (1), the minister shall prepare and publish a 10-year outlook projecting the estimated impact of such agreement on the supply and market price of carbon allowances available to Ontario's registered participants."

Chair, I'm moving this, in part, because, in a review of the state of the California cap-and-trade system, it appears there are a large number of relatively cheap credits that are available. I'm worried that, without an assessment of what the changes will be, we may put ourselves in a situation comparable to what has been seen in Europe, where a large number of cheap or free credits

dramatically reduce the impact of the emissions trading system.

**1610**

I think that this minister, and any subsequent minister, has to look at that 10-year outlook and be able to present to the Legislature and to the people of Ontario a realistic assessment of what changes or what issues we would have to deal with if we went ahead with the agreement with the other jurisdictions.

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

**Mr. Arthur Potts:** Yes. I'm a little concerned that a motion like this coming from the government body, speculating about future volumes and prices, could be tantamount to tampering in the marketplace, particularly if people came to rely on it to their detriment. Third parties could make that speculative and do the assessments, but for a government to do it and be required to do it as part of this, I think, would take us down a slippery slope. So we'll be voting against this motion.

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

**Mr. Jim McDonell:** Well, we have all seen a catastrophic error in the European plan, where elements were put into it that were not deemed—of course, when the plan was put into action—to have any merit and actually skewed the results. A lot of profiteering was done and some credits really shouldn't have been there.

So I don't know why we wouldn't want to make sure that we don't just blindly enter into an agreement that may benefit another jurisdiction—sometimes they're put there for that purpose. I think that we want to make sure that we agree with them and we agree with their impact on the plan.

Again, one of the issues with the cap-and-trade is that it has failed everywhere it has been tried because it is open to interpretation. We see that a simple price on carbon would generate the same benefits, but actually remove government from picking winners and losers.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 66.

Those in favour of NDP motion 66? Those opposed? I declare NDP motion 66 defeated.

We shall move to PC motion 66.1, which is proposing a new subsection 73(4). Mr. McDonell?

**Mr. Jim McDonell:** We will not be moving 66.1.

**The Chair (Mr. Grant Crack):** PC motion 66.1 is not to be moved.

We shall move to PC motion 66.2, which is proposing a new subsection 73(4). Mr. McDonell?

**Mr. Jim McDonell:** I move that section 73 of the bill be amended by adding the following subsection:

"Offset credits

"(4) A registered participant shall not purchase offset credits from the other jurisdiction with whom an agreement is entered into."

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

**Mr. Jim McDonell:** Ontario does not want or need to link its cap-and-trade scheme to another program. Once Ontario links this scheme with California, money will flow out of our province for allowances and offset credits. This outflow of cash will hurt our economy while doing absolutely nothing to achieve Ontario's emission targets. Alberta has made a successful offset system within its jurisdiction; we should look into their experience before sending millions of dollars out of our province.

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

**Mr. Arthur Potts:** Well, we know that we want to be linked to other markets with the Western Climate Initiative. This helps achieve lower cost purchasing of credits. We're not an island. We will be voting against this.

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

**Mr. Jim McDonell:** We've already seen through the Quebec plan, where they've linked it to California, millions of dollars being spent by companies to purchase something from California. Really, look at it: It's nothing more than a scheme with one state out of 49 in the United States. It really makes you wonder what the impact would be, say, between us and Michigan, us and New York state or Ohio—definite competitors of ours.

Whether it be in agriculture, in car manufacturing or in auto parts, it can only drive up our costs. Many of these costs are dictated by international prices. We are not price givers; especially in agriculture, we're price takers. If you increase our costs and our competitors aren't, what does that say for our industry?

A lot of the processing, as we've seen over the past number of years, whether it be Heinz or similar companies—they move to where it's cheaper to supply. We are buying the product back to be competitive, and it's just human nature. People try to purchase equivalent products at the least cost, and that only puts our manufacturers out of business.

I know this doesn't seem to be a concern of this government. We've seen over 300,000 jobs move out of our country and into the States or into Quebec. With just the price of power alone, we lost Xstrata out of Timmins; it moved to Quebec strictly on that one issue. And when you add in the payroll taxes we're paying, that we're paying the second-highest property taxes in North America and the energy costs, it's just another tax that will affect manufacturers in Ontario and not 49 out of 50 states in the United States or Mexico. So we see that as a huge problem.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on PC motion 66.2.

Those in favour of PC motion 66.2? Those opposed? I declare motion 66.2 defeated.

There were no amendments to section 73. Is there any discussion on section 73? There being none, I shall call for the vote.

Shall section 73 carry? I declare section 73 carried.

We shall move to section 74, which is NDP motion number 67, proposing a new subsection, 74(1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 74(1) of the bill be amended by adding "Subject to the approval of the Lieutenant Governor in Council" at the beginning.

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

**Mr. Peter Tabuns:** This is simply trying to ensure that there is adequate review of any such initiative, Mr. Chair.

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

**Mr. Arthur Potts:** It's our assessment that it would be very cumbersome to add this at this point in the bill, so we'll vote against the motion.

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

**Mr. Peter Tabuns:** Recorded.

**The Chair (Mr. Grant Crack):** Mr. Tabuns has requested a recorded vote. That is in order. There being no further discussion, I shall call for the recorded vote on NDP motion number 67.

#### Ayes

Tabuns.

#### Nays

Hoggarth, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 67 defeated.

We shall move to NDP motion number 68, which is an amendment proposing a new subsection, 74(1.1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 74 of the bill be amended by adding the following subsection:

"Same

"(1.1) An agreement entered into under subsection (1) is subject to the provisions of section 16 of the Environmental Bill of Rights and any other requirements under that act respecting regulations."

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

**Mr. Peter Tabuns:** It's an initiative, a motion, Chair, to increase the transparency of the bill. It should be seen in that light and should be adopted.

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

**Mr. Arthur Potts:** It's my understanding that this section would be redundant under section 16(2) of the Environmental Bill of Rights because any such agreement is explicitly administrative in nature and, therefore, is already exempt. So we'll be voting against it.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion 68.

Those in favour? Those opposed? I declare NDP motion 68 defeated.

We shall move to government motion 68.1, which is proposing an amendment to subsection 74(2), paragraph 2. Mr. Potts.

**Mr. Arthur Potts:** I move that paragraph 2 of subsection 74(2) of the bill be amended by striking out “Authorization for the person to exercise such powers” at the beginning and substituting “Authorization for a person to exercise such powers”.

1620

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

**Mr. Arthur Potts:** It’s just a very technical amendment to take “a” person as opposed to “the” person, so that it’s not being so specific. It’s just a technical amendment.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 68.1.

Those in favour? Those opposed? I declare government motion 68.1 carried.

We shall move to NDP motion number 69, which proposes a new subsection, 74(2.1). Mr. Tabuns?

**Mr. Peter Tabuns:** I move that section 74 of the bill be amended my adding the following subsection:

“Publication

“(2.1) Every agreement must be published on a website of the government of Ontario.”

If we’re actually going to be giving the administration and enforcement powers of the minister to an organization, then the details of that agreement must be available to the public.

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

**Mr. Arthur Potts:** My concern is that there may be confidentiality concerns contained within each of those agreements that would have to be redacted before it could go on a website and it would become very cumbersome. Therefore, we’ll vote against the motion.

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

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

**The Chair (Mr. Grant Crack):** There has been a request for a recorded vote. There is no further discussion on NDP motion number 69. I shall call the vote.

**Ayes**

McDonell, Tabuns.

**Nays**

Hoggarth, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion 69 defeated.

We shall move to NDP motion number 70, proposing new subsection 74(3). Mr. Tabuns?

**Mr. Peter Tabuns:** I move that subsection 74(3) of the bill be amended by striking out “is not a crown agent” and substituting “is a crown agent”.

Chair, the intent being that the retention of crown agent status increases the potential for transparency and accountability.

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

**Mr. Arthur Potts:** Our concern here is that it would seriously limit the government’s ability to delegate authority, which we think we’ll need to do for aspects of the subsequent regulation for the Western Climate Initiative or other linked program partners. So we’ll be voting against.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 70.

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

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

**Ayes**

Tabuns.

**Nays**

Hoggarth, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion number 70 defeated.

We shall move to PC motion 70.0.1, which is proposing a new subsection, 74(4). Mr. McDonell?

**Mr. Jim McDonell:** We will not move that motion.

**The Chair (Mr. Grant Crack):** PC Motion 70.0.1 is not to be moved.

We shall move to PC motion 70.0.1.1, which proposes the new subsection, 74(4). Mr. McDonell?

**Mr. Jim McDonell:** I move that section 74 of the bill be amended by adding the following subsection:

“Public notice

“(4) The minister shall, at the earliest opportunity,

“(a) publish every agreement entered into under subsection (1) in the Environmental Registry established under section 5 of the Environmental Bill of Rights, 1993; and

“(b) prepare a report setting out the total cost associated with each agreement and lay the report before the assembly.”

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

**Mr. Jim McDonell:** Ontarians deserve to know the cost associated with each agreement that the government enters into. We heard before the committee that as much as \$100 million could leave this province once trading begins with California. That money means that hard-working Ontarians will be forced to pay to reduce emissions in another jurisdiction. This scheme just doesn’t make sense for Ontario. We need to invest right here in our province and focus on our efforts to reduce Ontario’s emissions.

It was not that long ago that the Premier went to China to try to encourage money coming to Ontario, and here this plan will see hundreds of millions of dollars leaving Ontario and going not only to another part of Canada but to another country. We just think that that's wrong. It's a system that hasn't worked in Europe. We've been challenging the government to show us where it actually has worked. It's subject to a lot of fraud. It's very hard to put in place and to audit it to the extent required, especially when you're dealing with different countries. You're talking about agreements that are not throughout the continent. We have our major competitors, the vast majority, all but, I guess, two out of 50-something, that are not involved with this program that we'll be tying our hands to. It just doesn't make a lot of sense.

Again, they should just come out and state what looks to be their initiative here and just shut down our businesses and let us fend for ourselves, because that's all we're doing here.

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

**Mr. Arthur Potts:** Not unlike a previous motion from the NDP, this is somewhat redundant because under the Environmental Bill of Rights, these agreements are typically administrative in nature and therefore exempt, so we'll be voting against it.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for a vote on PC motion 70.0.1.1.

Those in favour? Those opposed? I declare PC motion 70.0.1.1 defeated.

There was one amendment to section 74, so therefore section 74 is amended. Is there final discussion on section 74, as amended? There being none, I shall call for the vote.

Shall section 74, as amended, carry? Carried.

We shall move to PC motion 70.0.2, which is proposing a new section 74.1. Mr. McDonell.

**Mr. Jim McDonell:** We will not be moving that motion.

**The Chair (Mr. Grant Crack):** Thank you very much. PC motion 70.0.2 is not moved.

We shall move to PC motion 70.0.3, which proposes a new section 74.1. Mr. McDonell.

**Mr. Jim McDonell:** I move that the bill be amended by adding the following section:

“Application of various acts

“74.1 The following acts apply, with necessary modifications, to persons who are assigned, delegated or sub-delegated powers, duties or functions under section 69, 70, 71 or 74, in respect of the exercise of those powers and the performance of those duties and functions:

“1. The Freedom of Information and Protection of Privacy Act.

“2. The Environmental Bill of Rights, 1993.”

*Interjection.*

**The Chair (Mr. Grant Crack):** Thank you, Ms. Martow. Yes, I will be calling this particular motion out

of order. It is beyond the scope of the bill. It appears to me to propose an indirect amendment to both the Freedom of Information and Protection of Privacy Act and the Environmental Bill of Rights, 1993, and it also appears to propose an amendment that goes beyond the reasonable limits of its collective purpose as set out at second reading. Again, I declare PC motion 70.0.3 out of order.

We shall move to section 75. We have government motion 70.0.4, which is in your extra package. I would call on Mr. Potts.

**Mr. Arthur Potts:** I move that paragraph 1 of subsection 75(1) of the bill be amended by striking out the second sentence and substituting “This does not apply with respect to section 54 (administrative penalties).”

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

**Mr. Arthur Potts:** Yes. This motion is being put forward to remove the reference to section 32 from subsection 75(1). This is because an earlier motion removed section 32 from the bill. It's just a clarification and an administrative adjustment.

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

**Mr. Jim McDonell:** So we're working on 70.0.4?

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

**Mr. Jim McDonell:** Okay.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 70.0.4.

Those in favour? Those opposed? I declare government motion 70.0.4 carried.

We shall move to government motion 70.1, which is an amendment to subsection 75(1), paragraphs 3, 4 and 5. Mr. Potts.

**Mr. Arthur Potts:** We will not be moving that forward.

1630

**The Chair (Mr. Grant Crack):** Government motion 70.1 is not moved.

We shall move to government motion 70.1.1, which is in your extra package. It's an amendment to subsection 75(1), paragraphs 3, 4 and 5. Mr. Potts.

**Mr. Arthur Potts:** I move that paragraphs 3, 4 and 5 of subsection 75(1) of the bill be struck out and the following substituted:

“3. Governing the quantification and calculation of amounts of greenhouse gas emissions and governing the attribution of emissions.

“4. Governing the registration of persons, including the suspension and cancellation of a registration, and governing the conditions applicable to registrants.

“5. Governing the recognition and designation of account agents, including the suspension and cancellation of a recognition, and governing the conditions applicable to designated account agents.”

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

**Mr. Arthur Potts:** Yes. This motion is being put forward to remove the reference to section 32 from subsection 75(1). This is because the earlier motion removed section 32 of the bill.

**Ms. Laura Hopkins:** No.

**Mr. Arthur Potts:** No? Am I in—sorry. Yes, I'm in the wrong section. My apologies. Sorry. Here I am. Okay.

The motion removes paragraphs 3, 4 and 5, replacing them with new provisions. The motion is being replaced on recommendation from legislative counsel to remove a duplicative reference to registration, which is already included in other regulation-making authority of the bill. My appreciation to legislative counsel for doing so.

**The Chair (Mr. Grant Crack):** Further discussion on government motion 70.1.1? There being none, I shall call for the vote.

Those in favour of government motion 70.1.1? Those opposed? I declare government motion 70.1.1 carried.

We shall move to government motion 70.2, which is an amendment to subsection 75(1), paragraphs 8 and 9. Mr. Potts.

**Mr. Arthur Potts:** I move that paragraphs 8 and 9 of subsection 75(1) of the bill be struck out and the following substituted:

“8. Governing the creation, distribution, retirement from circulation and cancellation of Ontario emission allowances and the retirement of other emission allowances from circulation.

“8.1 Governing the creation, issuance, retirement from circulation and cancellation of Ontario credits and the retirement of other credits from circulation.

“9. Governing the registration of offset initiatives, including the imposition of requirements on sponsors of offset initiatives.

“9.1 Governing monitoring, reporting and verification requirements under this act and imposing duties on persons who are authorized under this act to conduct verifications.

“9.2 Governing the retention of records in the possession of persons who prepare or submit or who are required to prepare or submit records for the purposes of this act.”

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

**Mr. Arthur Potts:** Yes. The motion has introduced regulation-making authority for creating, distributing and issuing or retiring allowances of credits and cancellation of Ontario allowances and credits. The motion is required to support the administration and delivery of the cap-and-trade program, in accordance with the design.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 70.2.

Those in favour? Those opposed? I declare government motion 70.2 carried.

We shall move to government motion 70.3, which is an amendment to subsections 75(3) and (4). Mr. Potts.

**Mr. Arthur Potts:** I move that subsections 75(3) and (4) of the bill be struck out and the following substituted:

“Incorporation by reference

“(3) A regulation may incorporate, in whole or in part and with such changes as the Lieutenant Governor in Council considers necessary, a document, including a code, formula, standard, protocol, procedure or guideline, as the document may be amended or remade.

“Same

“(4) An amendment to a document referred to in subsection 3, or a document referred to in subsection (3) as remade, comes into effect upon the ministry publishing notice of the amendment or remade document in the Ontario Gazette or in the registry under the Environmental Bill of Rights, 1993.”

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

**Mr. Arthur Potts:** This motion is being introduced to allow for technical documents to be incorporated by reference.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call the vote on government motion 70.3.

Those in favour? Those opposed? I declare government motion 70.3 carried.

We shall move to government motion 70.4, which is an amendment to subsection 75(4). Mr. Potts.

**Mr. Arthur Potts:** I will not be introducing this motion.

**The Chair (Mr. Grant Crack):** Government motion 70.4 will not be moved.

Section 75: There were four amendments that passed, so section 75 is amended. Is there any discussion on the amended section 75? There being none, I shall call for the vote.

Shall section 75, as amended, carry? I declare section 75, as amended, carried.

We shall move to section 76, which is a government motion, 70.5, an amendment to subsection 76(1), paragraph 1. Mr. Potts.

**Mr. Arthur Potts:** I move that paragraph 1 of subsection 76(1) of the bill be amended by striking out “(Imposing fees)” at the beginning and substituting “(Imposing fees for anything done or requested to be done under this act)”.

**The Chair (Mr. Grant Crack):** Those would be quotations as opposed to brackets. Just for clarification purposes, I wanted to put that on the record.

**Mr. Arthur Potts:** Quotations. My apologies.

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

**Mr. Arthur Potts:** Yes. The motion is being introduced to clarify that a document that is incorporated into a regulation under the bill can include a technical guideline.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on government motion 70.5.

Those in favour? Those opposed? I declare government motion 70.5 carried.

There was one amendment to section 76. Section 76 was amended. Any discussion on the amended section? There being none, I shall call for the vote.

Shall section 76, as amended, carry? I declare section 76, as amended, carried.

We shall move to NDP motion 71, which is proposing a new section, 76.1, to the Environmental Assessment Act. Mr. Tabuns.

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

“Environmental Assessment Act

“76.1 The Environmental Assessment Act is amended by adding the following section:

““Greenhouse gas

“5.2 No approval under this act shall be given unless consideration has been given to the possible implications for Ontario’s ability to meet its greenhouse gas reduction targets under the Climate Change Mitigation and Low-carbon Economy Act, 2016.”

**The Chair (Mr. Grant Crack):** Unfortunately, I’m going to have to call this one out of order as well. This motion seeks to amend an act, the Environmental Assessment Act, which is not open in the bill that is before us. Therefore, it is out of order on the grounds that it is beyond the scope of the bill.

We shall move to section 77. We have NDP motion number 72, amending subsection 77(1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 77(1) of the bill be struck out.

Chair, this is meant to protect the original definition of “greenhouse gas reduction account”.

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

**Mr. Arthur Potts:** We will not support the motion. The change is necessary to replace the definition with a more modern definition.

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

**Mrs. Gila Martow:** I think that there’s no reason why we can’t add other definitions and why we have to strike out a definition that a lot of people use and replace it with what one person considers to be more modern and other people may not. I think that the more information that we provide, the better.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 72.

Those in favour? Those opposed? I declare NDP motion 72 defeated.

We shall move to NDP motion 73, which is an amendment proposing new subsection 77(1.1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 77 of the bill be amended by adding the following subsection:

“(1.1) The act is amended by adding the following section:

““Greenhouse gas

“20.3.1 No approval under this act shall be given unless consideration has been given to the possible implications for Ontario’s ability to meet its greenhouse gas

reduction targets under the Climate Change Mitigation and Low-carbon Economy Act, 2016.”

**The Chair (Mr. Grant Crack):** Mr. Tabuns, I apologize again. I’m going to be calling this one out of order as it seeks to introduce elements that are beyond the scope of the bill. The scope of the bill, as set out at second reading, represents the reasonable limits of its collective purposes, as defined by its existing clauses and schedules. This motion appears to me to propose an amendment that goes beyond those reasonable limits; therefore, again, this one is out of order.

**1640**

We shall move to NDP motion number 74, which is an amendment to subsection 77(2). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 77(2) of the bill be struck out.

Again, Chair, it’s protection of the definition of the greenhouse gas reduction account.

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

**Mr. Arthur Potts:** We won’t be supporting the motion.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion 74.

Those in favour? Those opposed? I declare NDP motion 74 defeated.

There are no amendments to section 77. Any further discussion on section 77 in its entirety? There being none, I shall call for the vote.

Shall section 77 carry? I declare section 77 carried.

We shall move to NDP motion 75, which is an amendment proposing a new section, 77.1, with a new section 4.0.1, Ontario Energy Board Act. Mr. Tabuns.

**Mr. Peter Tabuns:** Just a ruling before I read it out: Will this be out of order?

**The Chair (Mr. Grant Crack):** As Chair, I would be more than happy to provide you with that advice but I can’t make hypothetical rulings at this point, so that would be up to you to decide whether you move it, and then I will decide later.

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

“Ontario Energy Board Act, 1998

“77.1 The Ontario Energy Board Act, 1998 is amended by adding the following section:

““Greenhouse gas

“4.0.1 No order under this act shall be made by the board unless consideration has been given to the possible implications for Ontario’s ability to meet its greenhouse gas reduction targets under the Climate Change Mitigation and Low-carbon Economy Act, 2016.”

**The Chair (Mr. Grant Crack):** Well, Mr. Tabuns, unfortunately—

**Mr. Peter Tabuns:** It’s no longer hypothetical? That’s what you’re about to say?

**The Chair (Mr. Grant Crack):** ’Tis no longer hypothetical. I shall declare this motion out of order as it seeks to amend the Ontario Energy Board Act, 1998,

which is not open before us. Therefore, again, it's beyond the scope.

*Interjection.*

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

We shall move to commencement and short title—

**Mr. Arthur Potts:** No section 78?

**The Chair (Mr. Grant Crack):** —which is section 78.

**Mr. Arthur Potts:** My apologies. You're right.

**The Chair (Mr. Grant Crack):** We have section 78. There are no amendments to section 78, commencement and short title. Is there any discussion? There being none, I shall call for the vote.

Shall section 78 carry? I declare section 78 carried.

So we did stand down section 1, correct? Everyone recalls the very beginning?

**Mr. Arthur Potts:** Section 1 or section 3?

*Interjections.*

**The Chair (Mr. Grant Crack):** Can we take a five-minute break? Would that be okay? Because I think—

**Mrs. Gila Martow:** I just want to know if Prince Harry is coming to our committee room. He was in the building.

**Interjection:** He's here?

**Interjection:** He's here.

**The Chair (Mr. Grant Crack):** Okay, a five-minute break.

*The committee recessed from 1647 to 1654.*

**The Chair (Mr. Grant Crack):** Okay, everybody. I call the meeting back to order. I hope you enjoyed your recess.

Prior to us dealing with the short title and the schedules, we will return to a number of the sections that were stood down.

The first that was stood down was PC motion 0.7. Then we stood down section 30, and then we stood down PC motion 30.0.2. We will deal with those three—Mr. Potts?

**Mr. Arthur Potts:** It is 30.1.

**The Chair (Mr. Grant Crack):** No. You're talking about new PC section 30.1, but the PC motion was 30.0.2. So I'm dealing with the motions at this particular time.

Therefore, once we deal with what was stood down, we shall move towards finishing the short title and the schedules and moving further down the bill. Having said that, again, PC motion 0.7 was stood down first. Mr. McDonell.

**Mr. Jim McDonell:** I move that subsection 1(4) of the bill be amended by striking out "including schedule 1".

**The Chair (Mr. Grant Crack):** Thank you very much. Further discussion? Mr. Potts—oh, we'll go with Mr. McDonell for the reasoning.

**Mr. Jim McDonell:** Chair, we see this bill as an issue with, as we said before, our businesses and Ontarians in general. We see it adding a lot of costs. We have been very much supporting putting a price on carbon, but the money generated from this money that would be returned to the public in the form of tax reductions or programs

aimed specifically at groups affected by this legislation—we don't see that; we see a cap-and-trade system put in place that has failed in many other places, or I guess all places around the world, because it's so fraught with fraud, fraught with issues. Such a system, although in theory it seems to work out very well, getting it to work in practice has eluded the world so far.

A simple price on carbon which would discourage people from generating carbon, but giving the money back so they could choose to maybe use more pricey options, leaving our standard of living where it is as much as possible instead of just siphoning this money off and government spending where it sees fit—this has been a practice of this government for 12 years; it's not helping us.

Economists around the province have been very upset with what's going on here in this province. We've run up our debt, we've taken away a lot of our possibilities as far as where we can go in the future by the debt that we've put on our children and grandchildren. We just see this as something that will not work, especially when cap-and-trade really works in a system that's integrated on a larger base, and here we are talking about three jurisdictions. Ontario and Quebec make up a small portion of this whole agreement, with California being much larger. You tack it on to our main competitors that we have really any chance of competing with throughout the US and Mexico. It really puts us at a disadvantage. We think that this whole idea, this whole scheme that has been put in place is nothing more than another tax grab that we've seen over and over again.

This government has really no authority. It ran an election on not putting such a scheme in place. Quickly after the election, we're seeing a change. I know that if they had fought an election with the expressed idea of actually putting this plan in place, then we would have to tailor our objections differently. But this was a commitment of the government not to do this, and now we see it being in place, being forced down, closure moved on it, limiting debate. We look at this whole scheme; it's just going to hasten our economic troubles that we're seen over the last 12 years.

We think that if you go back to infrastructure, the same amount of money is being promised under this budget with the \$1.9 billion generated from the cap-and-trade as there was before this plan was even contemplated. We had guarantees from the minister of the day that the budget was priced out, that there was money. Now all of a sudden we find that not only do we require this cap-and-trade revenue, but we require Hydro One being sold and parts of the LCBO being sold. Really, what else are we not seeing? As we move forward, we're seeing these bills being pushed through, and we just think that there has got to be an end to this madness.

**1700**

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

**Mr. Arthur Potts:** Yes, just to say that schedule 1 is an integral part of this bill and, therefore, we will be voting against this motion.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on PC motion 0.7—

**Mr. Jim McDonell:** Recorded vote.

**The Chair (Mr. Grant Crack):**—and there has been a request for a recorded vote, which will be entertained. I therefore call the vote on PC motion 0.7.

### Ayes

McDonell.

### Nays

Hoggarth, Malhi, Potts, Rinaldi, Tabuns.

**The Chair (Mr. Grant Crack):** I declare PC motion 0.7 defeated.

There are no further amendments to section 1, so I therefore declare that section 1 is amended with the five amendments that did pass. Is there any discussion on section 1, as amended? Mr. McDonell.

**Mr. Jim McDonell:** Again, I'd like to highlight our objection to this bill. We just think that it's the wrong thing for the province.

If this government was so strong on this initiative in the first place, why did they claim or promise not to institute this type of legislation in the last election? I think that the question was put to this government very clearly. In the election campaign, they promised that they would not institute this. Quickly after the election, of course, this has become an initiative.

We've heard from the minister for climate change that they were planning this more than two years ago. Clearly, that was denied by the Premier, so really, what is the right answer here? There are two different answers there, and—I guess that I can't use the words, "Somebody is not telling the truth." Obviously, which one is telling the truth? I would have to really wonder about that. Were they planning this more than two years ago? If they were, why would they not bring this up in the election, if that was actually their intention?

The people of Ontario haven't had the chance to comment on cap-and-trade through an election. I've been involved in two elections. There was a commitment both times from this government not to move ahead on this. We think that there is a way around that. At least make it revenue-neutral and help up the people who are having so much trouble today.

We've seen the number of people in this province who are on minimum wage escalating so that we are now the number one percentage in this country with people working at minimum wage. The number of people working below the cost of living is increasing. This is going to add another cost to that cost of living, so there will be more and more people needing public assistance. It just doesn't make sense.

I know that there is an unquenchable thirst for money from this government. We've seen it over and over again.

We've seen \$65 billion mushroom to \$135 billion, and they still don't have enough money. What will it take to solve this thirst for money that just gets spent?

We believe that there is money there. If you were to take away the money spent on gas plants, the money spent on eHealth—billions of dollars wasted. The money is there. It has been wasted. As much as our debt and our spending are, it doesn't include the money being wasted in the Green Energy Act—billions and billions wasted there, whether it be gas plants that the electrical user is forced to pay for. They've made our rates the highest on the continent. In theory, if you're going to put a price on carbon, you've got to wonder why electricity is excluded.

If they're truly following through, will we see that change in regulations in the future? In their quest for money, we probably will be. We're suspect of that. We have a clean energy foundation that was put in place by many years of Conservative government. We built the strong nuclear plants that we have today. It was a PC government that built the hydro generation that we see in this province—the majority of it.

We'd have a surplus of power if you shut down all the renewable energy. This is power and these are contracts that we're paying for with artificially high rates. The Auditor General warned the government again last year that we're spending billions of dollars on conservation that will have no impact because we have contracts. Whether we use the power or not, we have to pay for it.

This was only reinforced yesterday when we raised the cost of power because we have contracts that guarantee that we'll buy this power even if we don't use it. So if we were more successful and more people cut back in the amount of power they're using, which would normally seem to be what you design an energy-consuming jurisdiction to do if it is really trying to cut back carbon, you would save money. Now we see that if we do constrain our use of energy even more in the future, our price per kilowatt will only have to go up because that is the way they structured this whole scheme that they put in place through the Green Energy Act.

There was warning after warning, even before I got elected. The association of professional engineers warned this government that the system they were putting in place would be costly and wouldn't work. Now we're seeing those, again, dismissed. In many parts of this bill, we've seen concerns from the independent officers that their ability to comment on these bills was being overridden. The government does not have to listen to them. Before, they were only breaking their own regulations by not listening to them. Now it gives them the power not to have to listen to them.

We don't think that's in any way good for the province, and we just can't support this legislation.

**The Chair (Mr. Grant Crack):** Further discussion on section 1, as amended? There being none, I shall call for the vote on section 1, as amended.

Those in favour? Those opposed? I declare section 1, as amended, carried.

We shall now move to the second aspect of the bill that was stood down, which is section 30. It would be PC motion 22.2.

**Mr. Jim McDonell:** Motion 22.2?

**The Chair (Mr. Grant Crack):** Motion 22.2 is correct, yes.

**Mr. Jim McDonell:** It's subsection 30—

**The Chair (Mr. Grant Crack):** Yes. So it's section 30, with an amendment to subsection 30(2); PC motion 22.2.

**Mr. Jim McDonell:** Can I take a five-minute recess just to catch up on this?

**The Chair (Mr. Grant Crack):** There has been a request for five minutes so that everybody can get up to date. Any opposition? So it's five minutes. At 5:13, I will recommence.

*The committee recessed from 1708 to 1713.*

**The Chair (Mr. Grant Crack):** Back to order. Once again, we had stood down three components of the bill. We are at the second aspect now and section 30, which is PC motion 22.2, an amendment to subsection 30(2). Mr. McDonell.

**Mr. Jim McDonell:** It's 22.2? Okay.

I move that subsection 30(2) of the bill be amended by adding "in an energy-intensive and trade-exposed industry, as prescribed" after "registered participants".

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

**Mr. Jim McDonell:** We are concerned about the free allowances. The government should only provide free allowances to companies in energy-intensive and trade-exposed industries. We must keep the distribution of free allowances limited to those who truly need it. We cannot allow this government to use free allowances to pay back political favours. We have seen many cases where the public are concerned about political decisions being made for donations, and this principle is so important that it must be spelled out in law to prevent any abuses. We have to protect the industries that need protection. They shouldn't be based on political affiliation; they should be based on scientific knowledge.

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

**Mr. Arthur Potts:** Yes. It's our view that this motion becomes redundant with the changes already in the regulations that have been proposed. That's obviously the intent of the free allowances: to help industries in their transition, and we're not going to limit the minister's flexibility to determine who are needy of them.

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

**Mr. Jim McDonell:** Our concerns have certainly been brought forward in recent events lately, where we see election changes that have been made previously that really benefited one party. Part of that was all about decisions being made—the companies that actually made political donations. We don't think that giving this Liberal government the ability to choose who they feel should be the benefactors of these allowances—

**Mrs. Gila Martow:** Picking winners and losers.

**Mr. Jim McDonell:** Not only are they picking winners and losers—and that's one thing we had a complaint about—but we see through the Auditor General that there have been no guidelines put forth. They've handed out billions of dollars. We see now, only because it has become an issue and we've received leaks from some of the ministry people, that these certainly look like they've been tied to donations, in some cases companies receiving multiple contracts, followed each time by large donations to the party.

Do we see a tie here? Of course we do. The public sees a tie, and I think that they need the reassurance that yes, the government will have to use technical information to make decisions to give allowances where companies are truly affected. Having it very political just breeds corruption, and I think we want to take that perception away so this government doesn't have to fight that as they move through with this very controversial legislation. We think that at a minimum we should be limiting where these allowances are going so that they actually are tied to, as we say, energy-intensive and trade-exposed industries.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on PC motion 22.2.

Those in favour? Those opposed? I declare PC motion 22.2 defeated.

We shall go to NDP motion number 23, which is an amendment to subsection 30(2). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 30(2) of the bill be amended by adding the following sentence at the end:

"However, such allowances may only be given to participants in energy-intensive industries with high trade exposure."

Chair, this is meant to simply amend the potential for the minister to give registered participants free emission credits. Again, my worry is that free credits—too many of them—would undermine the carbon market, would undermine the price of carbon.

I understand the need for transition. I understand the need for support to energy-intensive industries in a highly trade-exposed environment, but I think that has to be limited and I don't think they should be given out to companies or institutions that in fact don't meet these criteria.

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

**Mr. Arthur Potts:** We're concerned about limiting the flexibility of the program. There may be other industries that are going to have difficulty in the transition that may not be energy-intensive industries but nonetheless would find difficulty in the transition period to the cap-and-trade program.

So we'll vote against this. We prefer the flexibility. We're working with the NDP on other areas of this, and we'll continue to consult with the broader industry and address this issue in regulations.

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

**Mr. Jim McDonell:** We're concerned. We don't like the way it's limited to the energy-intensive industries—we think anything that's trade-exposed. But we are against the fact that these are freely given out by the government. We don't think they've earned the trust of the populace to give these credits out in a responsible and truly technical manner. We've seen in the past where they've been made for political favours, and we think that's wrong. We think the public are very suspicious of this government, and motions like this would tend to force the government to follow a standard practice that's based on good, sound, technical advice.

1720

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

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

**The Chair (Mr. Grant Crack):** No further discussion? We shall move to the recorded vote.

#### Ayes

Tabuns.

#### Nays

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion 23 defeated.

We shall move to NDP motion 24, which is an amendment to subsection 30(2). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 30(2) of the bill be struck out and the following substituted:

“Transitional measures, distribution free of charge

“(2) In order to support the transition to a low-carbon economy, the minister may distribute Ontario emission allowances to registered participants free of charge on a date or during a period prescribed by regulation, and shall do so in accordance with the regulations and shall report annually the total number of Ontario emission allowances distributed free of charge.”

Chair, these emission allowances will be worth a lot of money. The potential here is to give away amounts in the hundreds of millions of dollars. I think, at a minimum, Ontarians deserve to know who gets those allowances and what their value is.

This is effectively public value, and the government should be held to account for how they decide to distribute that, and companies that receive this public support should be open about the fact that they have received it.

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

**Mr. Arthur Potts:** Under the rules of the act, people will know who is getting it; that's the objective. It needn't be in the act; it's all accounted for elsewhere.

**Mr. Peter Tabuns:** Then you'll have no trouble supporting this amendment.

**Mr. Arthur Potts:** We'll be voting against it.

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

**Mr. Jim McDonell:** I have a concern. On one hand, the government says this is not required because they'll be following the purpose of this amendment, but on the other, they can't support it.

As was mentioned, these credits are worth billions of dollars, yet we want to trust this government to give them out as they see fit and not be able to have any scrutiny over where they're going. This just highlights that, time after time since I've been here, we've seen the government ask us to trust them, but they have not earned that trust, whether it be in deleting records that they were so interested in making sure would be given to the public—we saw thousands of pages of documents given out, clearly with information whited out. It was documentation that was supposed to be open to the public. It really makes you wonder: If it's of no importance, why are they taking the trouble of whitening out or redacting information? So, I guess, why would people trust them anymore?

It's only through some leaks from the ministry that we're able to get any information. Now we see, with the ability for handouts being made here that are outside the scrutiny, certainly, of the opposition parties and the public—why is that in the best interest of any open and transparent process?

It just boggles the mind that they still try to use the term “open and transparent” when we've seen the record we have been subjected to over the last 12 years.

I think the NDP have a motion here that is worthwhile considering.

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

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

**The Chair (Mr. Grant Crack):** No further discussion? We shall proceed to the recorded vote.

#### Ayes

McDonell, Tabuns.

#### Nays

Hoggarth, Malhi, McMahon, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion 24 defeated.

We shall move to NDP motion number 25, which is proposing new subsection 30(2.1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 30 of the bill be amended by adding the following subsection:

“Phase out

“(2.1) The regulations mentioned in subsection (2) must establish a timeline to phase out the use of free of charge emission allowances.”

Frankly, Chair, the free allowances make sense in a transition period but don't in the long run. There needs to be some certainty in terms of investment for companies. They need to know when the phase-out will, in fact, commence. It's going to have substantial impact on decisions they make around what kind of energy systems

they use, and it should be incumbent on the government to actually set up a timeline for the phase-out of free emission allowances.

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

**Mr. Arthur Potts:** We're delighted with the NDP on the alternative version of this motion. We are committed to phasing out allowances, but we're not accepting this particular motion.

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

Those in favour of NDP motion 25? Those opposed? I declare NDP motion 25 defeated.

We shall move to NDP motion number 26, which is an amendment proposing new subsection 30(2.1). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 30 of the bill be amended by adding the following subsection:

“Same

“(2.1) Before January 1, 2021, the minister shall make available to the public an outline that describes how the distribution of allowances free of charge will be phased out as Ontario makes the transition to a low-carbon economy.”

I'm glad that the government is supportive of this alternative wording. I don't think it's as effective as the one I put previously, but it still may be useful. I would hope the committee would support it.

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

**Mr. Arthur Potts:** We will support this. We appreciate the member's time with this issue.

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

**Mr. Jim McDonell:** Well, we're just concerned with the timeline for the free allowances. We have concern with our neighbours to the south. Who knows when they're going to actually put in some type of system? Depending on the effects of this election—there's one party down in the States that is avidly disagreeing with putting a price on carbon. We may not see this happen for more than four years. There's a good chance.

**Mr. Arthur Potts:** Mr. McDonell, you're supporting Mr. Trump, too?

**Mr. Jim McDonell:** No, I'm just saying what the reality is down there. We're talking about states. There are a good number of states down there that have said they will not move forward. They've got court challenges out.

To blindly go through and to say that our industries do not need protection—we're trading with those same states. I mean, let's be realistic. If we added a tax like this, why would you produce a product here? It's a free economy. We're built on a capitalist system. If you can make more money by moving to a different jurisdiction—unfortunately, we've seen that time and time again.

One would think that this government would wake up and see why all of these jobs have left. They haven't left for Third World countries; they've left for our competitors. If we cannot compete with the United States and Mexico, we've got some serious problems.

The biggest issues we have are problems with this government and its policy of high energy costs; we used to have some of the lowest energy costs in the world. We have a high property tax. We have high payroll tax. Why would you come here? Just go down to where I live and you'll see American states openly advertising on their TV stations, “Come south. We'll give you free property taxes for years.” Lower energy costs: They're bragging about it and rubbing our noses in it. We're not smart enough to see what's happening here? That's the concern.

I talked to my businesses and they're fed up. They wonder where this government is going. There are no explanations coming back from this government. Trying to tell them just what they're up to, where their planning is done—they just don't see it. I know that through the election rules they put in place under the McGuinty government, getting out any of the other parties' election plans and skewing them has been made very easy by the tens of millions of dollars being spent by—none of the three parties. We need to see some changes if we're going to survive through this economy. It's going to be a high-tech economy that unfortunately we're going to be disadvantaged by.

We have some real problems with this bill and would like to see it actually withdrawn completely—move back to a simple price on carbon that cannot be manipulated, instituted once our neighbours to the south are instituting theirs. I think that's all business is asking.

1730

It's nothing short of the tire tax that was put on—and getting a call not from my riding, but from the riding to the north. My distributor said, “I can go three miles east of where my shop is and the tax on farm equipment”—over \$1,000 at the time—“is not being paid. Why would anybody come to my shop?” And that's the question. Why would you buy in Ontario, when you can get it for essentially free, or without that tax, in Quebec?

This is something very similar. I think we have to stand up for our rights. We can't let the millions of dollars move south of the border. That's really a trade deficit. We talk about our trade deficit with the States; well, you're doing as much as you can to make sure that that's more negative than it is today. So we have a lot of concerns and we have a feeling that this will impact our economy for years to come.

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

**Mrs. Gila Martow:** My colleague just mentioned trade with the States and with Mexico. We don't even have to go that far. We see a lot of companies relocating to other parts of Canada, including New Brunswick. A lot of times, governments think that they can manipulate things based on their own—

**Mr. Arthur Potts:** Point of order, Chair?

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

**Mr. Arthur Potts:** I'm not quite sure what this discussion, continuing from the previous member, has to do with this particular motion, so I'd like them to bring it around.

**The Chair (Mr. Grant Crack):** I just remind the member to try to concentrate on the motion that was put forward. Continue.

**Mrs. Gila Martow:** Okay. I just wanted to make the comment that we're trying to be competitive and that's what our concern is. This is making us increasingly uncompetitive.

I was going to say that we saw that people were somewhat surprised that there was a judgment just this week about bringing beer across the border between Quebec and New Brunswick. It got shot down and that was government legislation. Finally the court woke up, almost a hundred years later, and said it's not right.

I'm concerned, and I think some of the concerns we're raising aren't just for the economy and aren't just for the taxpayers. It's also that we want things to be locked up tight in terms of court challenges if we're going to proceed with any kind of reasonable plan. Otherwise, we just end up in the courts and nothing gets done.

I think that we saw so many amendments from the government on their own bill and that concerns us, that this was just rushed through and wasn't planned properly. If the bill is not going to be done properly, then we shouldn't be doing it.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion number 26.

Those in favour of NDP motion 26? Those opposed? I declare NDP motion 26 defeated.

We shall move to NDP motion 27, which is proposing a new subsection 30(2.2). Mr. Tabuns.

**Mr. Peter Tabuns:** One second, Chair.

**Mr. Arthur Potts:** Chair, is there a capacity to reopen that vote? I would like to move for the unanimous consent of the committee to reopen that vote. It was my intention to support that motion. My apologies—the tedium that I got from the other side—if you would humour us to reopen this, I would be most appreciative. Unanimous consent of the committee?

**The Chair (Mr. Grant Crack):** As Chair, I have the privilege to ask the committee if there is unanimous consent to revisit the previous motion that had just been defeated. Do we have unanimous consent? We have a “no.” It's a no.

**Mr. Arthur Potts:** Seriously?

**Mr. Lou Rinaldi:** Wow.

**The Chair (Mr. Grant Crack):** So we'll move to NDP motion—

**Mrs. Gila Martow:** I think the problem is that you're too used to voting everything down, so you missed your shot.

**The Chair (Mr. Grant Crack):** Excuse me. A little order here.

We're going to move to NDP motion number 27, which is an amendment proposing new subsection 30(2.2). Mr. Tabuns?

**Mr. Peter Tabuns:** I move that section 30 of the bill be amended by adding the following subsection:

“Restriction

“(2.2) An Ontario emission allowance that is distributed free of charge may not be subsequently sold or traded, despite anything else in this act or the regulations.”

Chair, the giving out of free allowances is something that will be of great financial benefit to those companies that receive them. The way the bill is written now, not only will a number of companies get free allowances, but they'll also be in a position to sell them. Again, my concern is that we may find ourselves in the same situation as Europe found itself in, with an oversupply of carbon credits on the market. I don't see a reason why we should give away these credits that can be sold subsequently for greater profit, and I would ask that this restriction be placed into the act.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion 27.

**Mr. Peter Tabuns:** Recorded.

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

#### Ayes

McDonnell, Tabuns.

#### Nays

Hoggarth, Malhi, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion 27 defeated.

We shall move to NDP motion 28, proposing new subsection 30(2.3). Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 30 of the bill be amended by adding the following subsection:

“Restriction

“(2.3) No more than 4.7 per cent of Ontario emission allowances that are distributed free of charge may be subsequently sold or traded, despite anything else in this act or the regulations.”

It may be that the government is not enthusiastic about all of the emission allowances being restricted from further sale. This would give some of those allowances value and, again, it would help us avoid the problem of flooding of the market and an unnecessary and unreasonable enrichment of companies.

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

**Mr. Arthur Potts:** An important part of this program is that we reward companies that do innovative things and then they can actualize their credits in a way in which they can spend more money doing climate

reductions in their firms. I think this motion would remove that reward. We'll have to vote against it.

**The Chair (Mr. Grant Crack):** Mr. Tabuns and then Mr. McDonell.

**Mr. Peter Tabuns:** Frankly, if companies think that they can come in substantially under the allowance, they can buy credits and resell them. There's no obstacle to that. It's just that if they get them for free, there's a limitation on how much money they can make off them. I would say that most people in Ontario don't think we should be giving away free money.

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

**Mr. Jim McDonell:** Taxpayers are going to be forced to pay about \$900 every year on gas and home heating to fund this government's cap-and-trade scheme. Ontario taxpayers are going to bear the brunt of this new tax burden. We have tried this in other areas. It's very, very difficult to hand out credits and then expect—you're doing that so that companies can buy and sell and then make money at it.

We're concerned with this government's ability to hand these out, because they are like handing out cash. This government is going to be picking winners and losers. They haven't been doing a great job. They seem to be doing it for other than what people might term as the "right reasons." We have to scale back what we give out, and they should be given out only to companies that are trade-dependent and energy-intensive, because these are the companies that are being penalized when they are dealing with a market that is not dealing with a cap-and-trade system.

We have to make sure that if you're determined to move ahead on this system—it hasn't worked out because the biggest problem with cap-and-trade is coming up with a system that works and does not add undue regulation and administration. Clearly this plan is not one of those. We're concerned about the impact, as we said before. We see that the economy in Ontario has been impacted by policies of this government in the past and we expect that this will just do more of the same.

**The Chair (Mr. Grant Crack):** Further discussion? There being none, I shall call for the vote on NDP motion 28.

**Mr. Peter Tabuns:** Recorded.

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

### Ayes

McDonell, Tabuns.

### Nays

Hoggarth, Malhi, McMahan, Potts, Rinaldi.

**The Chair (Mr. Grant Crack):** I declare NDP motion 28 defeated.

We shall move to government motion 28.1, amending subsection 30(3). Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 30(3) of the bill be amended by striking out "the amounts" wherever it appears and substituting in each case "the number of amounts".

1740

**The Chair (Mr. Grant Crack):** Is it "the number or amounts" or "the number of amounts"?

**Mr. Arthur Potts:** "The number of amounts"—"or amounts"—"of amounts." I'm sure it should be another "of amounts."

**Ms. Laura Hopkins:** No.

**Mr. Arthur Potts:** "The number or amounts." My apologies.

**The Chair (Mr. Grant Crack):** Let's be clear: "the number or amounts."

Further discussion?

**Mr. Arthur Potts:** It's just a technical amendment, with the assistance of legislative counsel and Hansard in getting it absolutely correct. Thank you very much.

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

Those in favour of government motion 28.1? Those opposed? I declare government motion 28.1 carried.

Let's move to government motion 28.2, amending subsection 30(4). Mr. Potts.

**Mr. Arthur Potts:** I move that subsection 30(4) of the bill be struck out and the following substituted:

"Restrictions re: distribution free of charge

"(4) If Ontario emission allowances are distributed free of charge, the regulations may specify the basis for determining which participants may receive allowances, and in what number or amount, and may prescribe circumstances in which a participant is ineligible to receive allowances."

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

**Mr. Arthur Potts:** This motion removes the phrase "to receive the allowances" and replaces it with "to receive allowances." It's simply technical in nature.

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

**Mr. Jim McDonell:** We don't see anything that really ties the allowances to need versus competitiveness or energy intensiveness. The intent, and what this motion will do, is undetermined, but the overall scheme here is really penalizing too many of our businesses.

Again, we can't say enough that there's a reason why our neighbours to the south aren't moving ahead in this. They have much a bigger impact. We can be bankrupt for many, many decades before they ever see a need to move ahead with this. So what have we done?

I know that our participation is almost a ceremonial participation—

*Interjections.*

**The Chair (Mr. Grant Crack):** Order. I'm having a hard time hearing.

I apologize, Mr. McDonell.

**Mr. Jim McDonell:** —because at 0.1% of the total, we really have very little impact in this over our climate

change, unless we can use that to pull our neighbours along and have them step up to the plate—

**Mr. Lou Rinaldi:** Exactly.

**Mr. Jim McDonell:** Well, they aren't. You're talking about one neighbour out of 49. They don't even border us, by a long shot. We don't compete with California for most of our products. Our manufacturing is in other states.

At one time, there were many states involved with this western alliance. They all pulled out. Yet this government seems to move ahead strongly.

Again, I go by what some of my own constituents are saying: Do not go to a cap-and-trade system, because of the administration and the costs of doing this. They've seen it. They've spent hundreds of thousands of dollars in cheques down to California companies. How anybody could consider that to be positive, without having some tie back to the rest of the country—I mean, we're talking about a very small percentage of the overall population of the United States. Throw in Mexico and that, and it's even worse.

As I say, we've seen our auto business—

**Ms. Ann Hoggarth:** Let's go.

**Mr. Jim McDonell:** We've seen our auto business diminish by large—

**Ms. Ann Hoggarth:** You didn't help them, did you?

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

**Mr. Jim McDonell:** Well, we couldn't help them because you guys had the power. When you look at the issues that they talk about, and why they left, they're all directly tied back to this government. This is another issue—

**Mrs. Gila Martow:** They take the subsidies, and as soon as the subsidies are gone, they're gone.

**Mr. Jim McDonell:** Yes. They've done everything they can. They made all their donations to this party. We're seeing GM moving now. We're seeing Ford leaving. Who is left? Toyota has moved the Corolla out of this country. They're leaving their less popular vehicles back here to make the next decision easy. This is just the final nail in the coffin. I think it's unfortunate.

Yes, we want the ability to debate this and to bring our points up. For the most part, we've been quiet when you've spoken. I guess if I was on the opposite side of the table, I'd be embarrassed by this bill as well, and I guess I'd want to shout down the other side.

I think what you're doing here is very negative for our economy. I think it's time you listened to the chambers of commerce, which have spoken almost unanimously against this legislation and what you're putting in place. It's going to be very hurtful not only to our economy, but when you look at the number of people who will be requiring extra assistance—the money will not be there. When you're losing your tax revenue, I guess you could raise the percentage you're collecting all the time, but eventually that doesn't work.

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

**Mr. Arthur Potts:** I'd like to take a five-minute recess.

**The Chair (Mr. Grant Crack):** That is in order. Do I have a consensus?

**Mr. Peter Tabuns:** Actually, I suggest that we take a 20-minute break. You've called the vote; I'll ask for 20 minutes.

**The Chair (Mr. Grant Crack):** I was calling for the vote on government motion 28.2. There was a request for a five-minute break. That would have needed consensus.

**Mr. Peter Tabuns:** I asked for a 20-minute recess.

**The Chair (Mr. Grant Crack):** Yes, we'll go with the 20-minute break. That didn't actually require consensus; I could have given that to you.

There has now been a request for a 20-minute break, which will take us past the deadline of 6 p.m. Therefore, I shall grant the 20-minute recess. As a result, we will recommence tomorrow morning at 9 o'clock, right here. I can't wait to see you all again.

This meeting is adjourned until tomorrow. Thank you, everyone, for all the work that you've done in almost five and a bit hours.

*The committee adjourned at 1747.*

# CONTENTS

Monday 2 May 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-1021

## STANDING COMMITTEE ON GENERAL GOVERNMENT

### Chair / Président

Mr. Grant Crack (Glengarry–Prescott–Russell L)

### Vice-Chair / Vice-Président

Mr. Lou Rinaldi (Northumberland–Quinte West L)

Mr. Mike Colle (Eglinton–Lawrence L)

Mr. Grant Crack (Glengarry–Prescott–Russell L)

Mrs. Lisa Gretzky (Windsor West / Windsor-Ouest ND)

Ms. Ann Hoggarth (Barrie L)

Ms. Harinder Malhi (Brampton–Springdale L)

Mr. Jim McDonell (Stormont–Dundas–South Glengarry PC)

Ms. Eleanor McMahon (Burlington L)

Mr. Lou Rinaldi (Northumberland–Quinte West L)

Ms. Lisa M. Thompson (Huron–Bruce PC)

### Substitutions / Membres remplaçants

Mr. Arthur Potts (Beaches–East York L)

Mr. Peter Tabuns (Toronto–Danforth ND)

### Also taking part / Autres participants et participantes

Mrs. Gila Martow (Thornhill PC)

### Clerk / Greffière

Ms. Sylwia Przewdziecki

### Staff / Personnel

Ms. Laura Hopkins, legislative counsel