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**Official Report
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(Hansard)**

Tuesday 3 May 2016

**Journal
des débats
(Hansard)**

Mardi 3 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

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES**

Tuesday 3 May 2016

Mardi 3 mai 2016

The committee met at 0902 in committee room 2.

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

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

Consideration of the following bill:

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

The Chair (Mr. Grant Crack): Good morning, everybody. How is everyone today?

Interjections: Great.

The Chair (Mr. Grant Crack): That's wonderful. I'll call the Standing Committee on General Government to order. We're here this morning to continue the clause-by-clause consideration of Bill 172, An Act respecting greenhouse gas—

Ms. Lisa M. Thompson: Emissions.

The Chair (Mr. Grant Crack): It just says “greenhouse gas.”

Prior to the adjournment of yesterday afternoon, the discussion had already taken place with regard to government motion 28.2. There will be no further discussion on that. As such, I will call for the vote now, and then, if there's any questions or anything like that concerning the process and the meeting this morning, I will entertain them after.

I shall call for the vote on government motion 28.2. Those in favour of government motion 28.2? Those opposed? I declare government motion 28.2 carried.

Ms. Lisa M. Thompson: Chair?

The Chair (Mr. Grant Crack): Yes, we'll continue.

Ms. Thompson.

Ms. Lisa M. Thompson: Thank you very much. I was just wondering if everybody would be amenable to just a five-minute break. We've given some amendments and we just want to have a chance to review them before we keep flowing.

The Chair (Mr. Grant Crack): Is it the will of the committee to take a five-minute break?

Ms. Ann Hoggarth: Five minutes?

The Chair (Mr. Grant Crack): Five minutes.

Okay, so granted. I hear consensus. We'll be back at 9:09.

The committee recessed from 0904 to 0909.

The Chair (Mr. Grant Crack): Your five minutes are up.

Moving along, we will continue with NDP motion number 29, which is an amendment proposing new subsection 30(4.1). Mr. Tabuns.

Mr. Peter Tabuns: I move that section 30 of the bill be amended by adding the following subsection:

“Publication

“(4.1) Every year, the minister shall ensure that there is published on a website of the government of Ontario a list of all persons and entities that received Ontario emission allowances free of charge in the previous 12 months, and the amount of each such allowance.”

Chair, I think I've previously made an argument about this type of amendment, the need for openness, the value of the emission allowances that could be distributed for free, and the necessity that transparency is present and that people understand who's getting the gift of free allowances.

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

Mr. Arthur Potts: We've heard very clearly and we agree with the member that there should be a publicized list. We're pleased that we've been able to work with the member and the party opposite to come to a subsequent motion that, following this one, we'll be tabling. So we'll vote against this one, but I'm sure we'll get support for the next.

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

Ms. Lisa M. Thompson: We just want to concur that we feel it's very important that there's disclosure of free allowances.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall call for the vote on NDP motion number 29. Those in favour of NDP motion number 29? Those opposed? I declare NDP motion number 29 defeated.

We shall move to government motion number 29.1, which is proposing a new subsection, subsections 30(4.1) to (4.3). Mr. Potts.

Mr. Arthur Potts: Just a point of clarification: I believe I won't move the motion that was first before us.

I will not move that one, and then I will move the one following. I think we have to deal with the first one first.

The Chair (Mr. Grant Crack): If you would want to indicate to the Chair that you will not be moving that one, that would be fine.

Mr. Arthur Potts: I'm not moving 29.1.

The Chair (Mr. Grant Crack): Okay. It has been declared that the government side will not move government motion 29.1.

We shall move to the new motion, which is government motion 29.1.1, which is an amendment to create a new subsection, 30(4.1) to (4.4). Mr. Potts.

Mr. Arthur Potts: I move that section 30 of the bill be amended by adding the following subsections:

“Public notice

“(4.1) If Ontario emission allowances are distributed free of charge, the minister shall make the following information available to the public within 24 months after each such distribution:

“1. A list of the mandatory participants and voluntary participants to whom allowances were distributed free of charge.

“2. Subject to subsection (4.2), the number or amount of allowances that were distributed to each of them.

“3. Such other information as the minister considers appropriate.

“Same

“(4.2) In such circumstances as the minister considers appropriate, aggregated information may be provided about the number or amount of Ontario emission allowances that were distributed free of charge to some, or all, recipients.

“Same

“(4.3) Without limiting the generality of subsection (4.2), the minister shall take into account any issue of confidentiality in deciding whether to provide aggregated information for some, or all, recipients.

“Transitional measures

“(4.4) Before January 1, 2021, the minister shall make available to the public an outline that describes how the distribution of Ontario emission allowances free of charge will be phased out as Ontario makes the transition to a low-carbon economy.”

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

Mr. Arthur Potts: Yes, as indicated under the last motion brought by the NDP, I think this meets the objective of transparency about getting a list out associated with those who will receive free allowances.

I also will note that (4.4), the transitional measures, is our ability to put back into the act something that the members of the opposition party ungraciously refused to allow us to do yesterday by giving us unanimous consent to revisit a vote that we had mistakenly voted against, but we meant to vote in favour of. So now we're able, though the machinations of this wonderful democracy that we live in, to bring forward the same.

I want to thank Mr. Tabuns for assisting us in bringing this forward.

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

Ms. Lisa M. Thompson: It's interesting, because as the loyal opposition, we previously brought forward numerous attempts and motions to improve the transparency of the Liberal cap-and-trade scheme. With regards to motion 29.1.1, we're just happy to see that this government realizes that there needs to be an improvement in this regard. It's interesting, the manner in which they've brought it forward, but we're glad to see they finally saw the light in that regard.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall call for the vote on government motion 29.1.1.

Mr. Arthur Potts: Recorded, please.

The Chair (Mr. Grant Crack): There has been a request for a recorded vote. I shall call the vote on government motion 29.1.1.

Ayes

Colle, Hoggarth, McDonell, McMahon, Potts, Tabuns, Thompson, Wong.

The Chair (Mr. Grant Crack): I declare government motion 29.1.1 carried.

We shall move to PC motion number 29.2, which is an amendment proposing new subsection 30(4.1). Mr. McDonell.

Mr. Jim McDonell: I move that section 30 of the bill be amended by adding the following subsection:

“No selling, etc.

“(4.1) No registered participant who receives an Ontario emission allowance free of charge shall sell or trade it or otherwise deal with it.”

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

Ms. Lisa M. Thompson: Well, as we know, even going back to attending COP in Paris this past December, in speaking to other jurisdictions they were very clear in saying, “Why is Ontario going with cap-and-trade? Haven't you learned from us?” Because their system was full of fraud—fraught with fraud, let me put it that way. There were so many serious problems with companies making a windfall of profits off of these free allowances.

It was just recently reported that Tata Steel in Britain made £700 million by selling allowances it was given for free. We can't let this happen in Ontario. It's all going to fall on the shoulders of taxpayers. They're going to be forced to fork over nearly \$900 more every year on gas and heating their home alone, based on some industry analysis that we've received. No company or organization should be able to profit off of free allowances while Ontario taxpayers foot the bill for cap-and-trade.

I might want to remind everyone in the room that just last Thursday at the Economic Club, the Minister of the Environment himself said that this cap-and-trade scheme is going to be very costly for Ontarians, businesses and taxpayers alike. Those are his own words. We have an

opportunity today to actually stand up for Ontario taxpayers, instead of making them fork over more money that ultimately, by the minister's own admission last Thursday, is going to subsidize and allow this government to continue to pick winners and losers. We are very firm in our stance with regards to the prohibition of selling or trading free allowances. This motion speaks to that very point.

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

Mr. Arthur Potts: Yes. What's clear in this motion is that it undermines the whole purpose of the trading mechanisms of the cap-and-trade program and it underlies the official opposition party's continued campaign against a credible plan for reducing greenhouse gas emissions. We will clearly be voting against this, and we look forward to doing so quickly.

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

Ms. Lisa M. Thompson: Again, I ask for the members opposite to listen to the words that I'm using from their own minister. It's going to be very costly for Ontarians, taxpayers and businesses alike. He himself said that this money is going to be used to subsidize. For goodness' sake, the last time your government introduced subsidies at this grand scale, it was facilitated by the Green Energy Act and now we have extraordinarily high electricity prices. Honestly, this is just one measure to building credibility in your cap-and-trade scheme. This is not about undermining; this is about listening to other jurisdictions and learning from their mistakes. It just boggles my mind, Chair, that this government is turning an absolute deaf ear and blind eye to how this scheme has failed in the rest of the world. By the minister's own admission, it's going to be very costly.

This is one tweak. We're trying to help you here. We're trying to help you build credibility in prohibiting the sale or trading of free allowances. It's not about undermining; this is about standing up for Ontario taxpayers.

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

Mr. Jim McDonell: The allowances are given out free of charge to help industries that have—they're given out to allow them to compete. If you're allowing them to just turn around and sell them—and there are nasty examples of how this didn't work in Europe. This one company, Tata Steel—over a billion dollars, a £700-million profit from free allowances. We all know; we've seen the record of this government. What would stop them from giving out these allowances? It's akin to dumping cash into somebody's lap. We think that that's unfair and we don't think that's good for the system.

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If you're going to have the system work—we're against the cap-and-trade system because it has been proven it's too complicated to work well. When you're doing things like this, it just adds to the issues you have with it. Simple pricing on carbon would be so much easier to handle.

I know in my riding, I've had businesses that operate in Quebec talk about the cheques they're writing for

California. You have to wonder about a system that started out with seven states and is now down to one. What happened to the other states? They pulled out. So we're talking about a very small allegiance here of two provinces and one state where you're dealing with an artificial economy on cap-and-trade. How do we compete with the rest of the 49 states and the rest of the provinces? You're not making sense.

If you're operating a business, why wouldn't you just move to a state where you don't have to worry about these extra costs? It doesn't seem to be an issue with this government. We've seen in the last 12 years they have allowed our industry to—you forced them to leave through your uncompetitive policies, whether it be policies that drove up the costs of the payroll taxes, the cost of energy or the property taxes. You have to have one or two issues here that make it worthwhile to operate a business in Canada other than our agricultural industry; it's pretty hard to move the land. That's where you've gotten to: We're being left with what can't be moved. Anything that can move, good manufacturing jobs, has left this country—and not gone to China, they've gone to our neighbours south, because this government has made that a more favourable location to operate in.

The Chair (Mr. Grant Crack): Thank you very much. Further discussion? There being none, I shall call for the vote on PC motion 29.2. Those in favour? Those opposed? I declare PC motion 29.2 defeated.

We shall move to PC motion 29.3, which is an amendment creating new subsections 30(4.1) and (4.2). Mr. McDonell.

Mr. Jim McDonell: I move that section 30 of the bill be amended by adding the following subsections:

“Restriction on selling, etc.

“(4.1) No registered participant who receives an Ontario emission allowance free of charge shall sell or trade it or otherwise deal with it unless the participant notifies the minister in writing within two days after the dealing takes place.

“Notice

“(4.2) The minister shall publish the notice mentioned in subsection (4.1) on a website of the government or in such other manner as is prescribed.”

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

Mr. Jim McDonell: Again, we have a worry about these free allowances. We had many places where we've seen allowances being abused. We want to make sure that that's at least transparent. Clearly, the government is all right with companies making a profit off of these free allowances while Ontarians foot the bill. Because the government insists on giving businesses the ability to make profits off of free allowances, those transactions should at least be transparent. Any business that sells or trades a free allowance must notify the government. The information related to that sale must then be disclosed to the public.

I would have to assume that if free allowances are given out, there's a business case that's done to show why the business needs these allowances to compete. If

they turn around and sell them, obviously there's an issue with the business case that was made or the people who evaluated it. Why the government would, after listening to a business case on why somebody needed allowances to compete, then allow them to sell it, we're not sure, but at least the public should know what's going on.

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

Ms. Lisa M. Thompson: I applaud my colleague for recognizing the lack of examination and proof points for this particular cap-and-trade scheme. Even going back to November and December, when we were asking the government to provide a cost-benefit analysis, we were met with a glazed-over look. We don't trust that the proper numbers have been crunched. A day or so ago, I heard a member from the third party reference the government's approach to finance as "fun with numbers." I'm worried that this particular initiative is following the same path.

Again, why are they doing this? It's because they're choosing to pick winners and losers. It's stunning. It's the folks who they choose to receive allowances who will have the opportunity, possibly, to cash in and continue on the same treacherous path that the European Union experienced.

It concerns me because, again, we have to bring to light that this government is excluding some of the best stewards of the environment—the Ontario agri-food sector—from even participating in the first round of compliance. The best stewards of the environment, the people who work and live off the land, possibly won't even be brought into this scheme until 2020.

It gives us yet another reason to doubt this government, to not trust the government and the manner in which it is building up its opportunity to continue its path of picking winners and losers. We stand against it, very clearly.

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

Mr. Arthur Potts: We'll be voting against this motion because, again, I don't think the members are fully contemplating how important it is to be able to sell allowances. If someone who has received a free allowance is in a position to be able to sell that allowance, it's because they've made massive investments in order to reduce their greenhouse gas emissions below the targets that have been set.

This is a reward program. This is not a windfall profit where if someone gets a free thing, they sell it. This is so that they're incented now to go and make the investments to reduce the greenhouse gases in the production process, and that provides a situation in which they now have excess capacity that they can sell in the open marketplace.

It's a win-win for business if they do the job the way this design is—so we'll be voting against this and look forward to moving forward.

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

Ms. Lisa M. Thompson: I appreciate the comments that were just shared by the member opposite. It's grand

in theory, but we've seen in Europe that that theory has failed and the absolute opposite happened. We have to be mindful of that. Our motion is to ensure that taxpayers are stood up for and protected so they're not shouldering a huge burden while other folks can make a profit off the free allowances.

In theory you make a good point, but in reality we have seen in other jurisdictions around the world that the opposite actually happened. We just want to ensure that that profiteering doesn't happen on Ontario taxpayers' shoulders. That's why we've put this motion forward. We feel it's very thoughtful.

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

Mr. Jim McDonell: I think you have to look at the administration of the system. The cap-and-trade system is certainly a lot more top-heavy with administration, and of course, that administration has to be covered by the residents of this province.

When you're getting into allowances and the need for them, it all adds into the evaluation and the granting of them. One has to wonder, when you're only asking that when somebody is selling a free allowance, they be published, even if I follow through on the argument that the member opposite talks about, with people earning allowances, what is this with the granting and the selling of free allowances being done in secret? It's not the way you run a transparent system.

Really, this whole system depends on being transparent. If good ideas are there in public view, everybody benefits. If things are being done in secret, deals can be made so that the rest of the industry is not allowed to see what types of improvements can be made and what credits they would generate. It's a loss to the whole system. Why, especially with the free allowances? They're given out for a reason. I'm sure there's a business case showing why they're needed, at least the volume. Then a company can turn around and sell them and nobody knows about it? It just doesn't seem to make sense. It doesn't pass the smell test.

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The Chair (Mr. Grant Crack): Thank you very much. Further discussion on PC motion number 29.3? There being none, I shall call for the vote.

Mr. Arthur Potts: Recorded.

The Chair (Mr. Grant Crack): There has been a request for a recorded vote, which shall be entertained. Shall PC motion 29.3 carry?

Ayes

McDonell, Tabuns, Thompson.

Nays

Colle, Hoggarth, McMahan, Potts, Wong.

The Chair (Mr. Grant Crack): I declare PC motion 29.3 defeated, which takes us to NDP motion number 30,

which is an amendment proposing new subsection 30(7). Mr. Tabuns.

Mr. Peter Tabuns: I move that section 30 of the bill be amended by adding the following subsection:

“Return of allowances

“(7) If a recipient of Ontario emission allowances issued free of charge experiences a decline in product output that had not been anticipated when the allowances were issued, the minister shall take back allowances that were issued free of charge based on an amount of product output equal the amount of the decline in product output.”

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

Mr. Peter Tabuns: I would say that if you look at the experience of the European Union Emissions Trading System, the recession of 2008-09 led to a precipitous decline in production. Many companies had large volumes of free allowances because there wasn't a market for those allowances, because production reflected a much lower level of economic activity. Those allowances were available to flood the market and drive down the cost of carbon precipitously. Thus, a system that was supposed to drive innovation and change became a system in which free or almost free allowances allowed companies to carry on as they had in the past. Effectively, you had a system of devaluation of those allowances.

The tighter the issuance of allowances, the greater the price and the greater the incentive to actually change. What we're trying to do here is avoid a situation in which the market is flooded with cheap allowances and thus undermines the incentive, the initiative to actually drive technological change and cut emissions.

That's the theory. That's the reasoning for this. I would hope that those who are interested in climate change and reducing greenhouse gas emissions would support this tightening of the market.

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

Mr. Arthur Potts: Our government's approach to this—we take an evidence-based approach to assigning allowance benchmarks sector by sector. Our concern is that this motion will result in a disproportionate impact to some sectors and not others. There are other mechanisms in the act allowing the minister to take back allowances, so we will not be supporting this motion.

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

Mr. Jim McDonell: We're very, very concerned about the whole cost administration here. As we say, the people of Ontario are going to have to foot this bill. The businesses are going to have to foot this bill. We're setting ourselves up like a bubble in a huge population of this continent. They're going to have to act with—essentially, and you can call it a cost or a tax, the rest of the continent doesn't have to deal with it.

I haven't heard yet from this government any indication of how they expect that these businesses are going to compete when we're not—Ontario should be a leader in

this continent. We should be working with the other states and provinces to lead a plan that's homogenous across the continent and it really doesn't matter where the borders are because everybody's following the same rules.

We're following a very expensive, very high-administrative-cost system here. You're dragging money out of the economy that should be going into productivity. We're losing productivity; it's driving up the costs and driving down our productivity. These are the people who are paying our taxes. These are the people who are hiring people, allowing people to work. When they move to New York state or Michigan or Ohio, they no longer pay Ontario taxes. There's less money to pay for expensive systems like this. It's similar to what we saw with hydro last month. Where there are fewer people paying the bills, the bills go up. It's not a fancy mathematical calculation; it's very simple. You have an end result that shows a figure—a product—and if you take one of the figures down, the other has got to go up to be the same.

I know it was a bit of an embarrassment when Hydro One came out and gave the reason for the rate increase: It's because we don't have as many people buying the same amount of power. That's because it has gone up in price and people have less money.

When you put this cap-and-trade system in, people are going to have less money. They're going to be able to spend less. You're not returning it back in another form, and that means we're buying less, so that's a problem where less tax is being generated. The businesses that rely on our ability to buy are going to be selling fewer products, so they're paying less taxes, and the ones that are competing outside this province, their products are going up, so they have to be able to generate enough savings through layoffs of employees or cutting back other costs.

We've had, I'm going to say, 20 years of cost-cutting in this province, so there's not a lot of cost-cutting left without shutting down. So they have to make a decision: “Do I move to a lower-cost jurisdiction”—unfortunately, there are lots of them on this continent now—“or do I close the doors?” Or, “Can I shrink?”

That's all this is going to do. I haven't heard the government give any indication as to how we're going to combat this. They made light of it in the past, when we've seen payroll taxes go up to be the highest on the continent; property taxes are arguably the second-highest on the continent; and our energy rates are the highest. What else is left?

We can be a very productive people, but you're really disadvantaging our workforce by shouldering them with this heavy workload and heavy cost.

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. No further discussion? We shall therefore call the vote.

Shall NDP motion number 30 carry?

Ayes

Tabuns.

Nays

Colle, Hoggarth, McMahon, Potts, Wong.

The Chair (Mr. Grant Crack): I declare NDP motion number 30 defeated.

There are no further amendments to section 30. However, there were three amendments that passed, so we shall deal now with section 30, as amended. Is there any further discussion on section 30, as amended? There being none, I shall call the vote on section 30, as amended. Those in favour of section 30, as amended, carrying? I declare section 30, as amended, carried.

Also, at a prior meeting, there was another amendment that was stood down, which is PC motion 30.0.2, which creates new subsection 30.1(1). I would ask a member of the official opposition—Ms. Thompson.

Ms. Lisa M. Thompson: Just for clarification, we would like to withdraw 30.0.1.

The Chair (Mr. Grant Crack): That was already withdrawn at the previous meeting.

Ms. Lisa M. Thompson: Was it? So now we're going to go forward with 30.0.2?

The Chair (Mr. Grant Crack): That's correct.

Ms. Lisa M. Thompson: Okay.

The Chair (Mr. Grant Crack): If you so choose.

Ms. Lisa M. Thompson: Yes, we do, thank you.

The Chair (Mr. Grant Crack): Very good. Ms. Thompson.

Ms. Lisa M. Thompson: I move that the bill be amended by adding the following section:

“Public notice of Ontario emission allowances

“30.1(1) The minister shall make the following available to the public in accordance with subsection (2) in respect of each compliance period:

“1. The maximum number or amount of Ontario emission allowances that may be created under subsection 29(2).

“2. The total amount of Ontario emission allowances that may be distributed under section 30.

“3. The total amount of Ontario emission allowances that may be distributed free of charge under subsection 30(2).

“Same

“(2) The information referred to in subsection (1) shall be made available to the public on a website of the government or in such other manner as may be prescribed by the regulations,

“(a) in respect of the first compliance period, not later than the first day of the compliance period; and

“(b) in respect of each subsequent compliance period, not later than the day that is one year before the first day of the compliance period.

“Amounts distributed free of charge

“(3) The minister shall make the following available to the public in accordance with subsection (4):

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“1. The name of each registered participant that receives an Ontario emission allowance free of charge under subsection 30(2).

“2. The amount of such allowances each participant receives.

“Same

“(4) The information referred to in subsection (3) shall be made available to the public on a website of the government or in such other manner as may be prescribed by the regulations 10 days before the allowances are deposited into the participant's cap-and-trade account.”

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

Ms. Lisa M. Thompson: Again, we feel very strongly that the government's discussions with regard to allowances have been murky at best. Almost all discussions have been designed, and this legislation will be taking place, behind closed doors.

For a government that has boasted previously about being transparent, we feel very strongly that we need to encourage this government to do better.

Ontarians deserve to know the government's decision on the allocation of allowances, and specifically free allowances. The government shouldn't be able to hide from accountability. I don't know what their issue is. It should have to report each company that receives free allowances, along with the amount. What do they have to hide? What are the secrets?

Again, it points to the fact that this government is setting up to choose winners and losers. The winners will be their buddies, perhaps folks who have generously funded the party, while the losers will be the Ontario taxpayers. It's the ordinary Ontarians who are going to lose and foot the bill.

At the very least they deserve transparency. This motion is an opportunity for this government to do right by taxpayers once and for all.

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

Mr. Arthur Potts: We appreciate the interest in creating the maximum amount of openness and transparency. I think we're striving in doing exactly that. That's why we passed, just in the previous section, a section that deals almost identically with the information presented here. Had the members opposite actually returned the phone calls from our staff who were working with their staff, they could have participated in a very co-operative way about getting this motion forward.

In fact, it's there. It's open. It's transparent. I appreciate the work that we've had with the NDP party in order to provide this level of transparency in reporting allowances. It's there in section 30 now, so we'll be voting against this.

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

Mr. Jim McDonell: I was around last night and I didn't receive any comments.

I've been in a number of committees and it's a tendency of this government to vote down every amendment by the opposition, whether they read it or not. That's what happened yesterday. You voted down an amendment and then, somehow, were embarrassed afterwards.

We're very concerned about the ability to create and distribute secret credits. We've seen the abuse by this government with grants, with contracts being awarded that aren't secret, and they're being abused. Why would we give them the ability to hand these out in a secret manner?

We think that it's not transparent. We have a government that promises to be transparent. At every opportunity they've had—they fought an election on it. But we don't see that through their actions. Granted, maybe they were just mistakes over the past, but they've been very costly mistakes. They've cost our province dearly. When it comes to productivity, we've driven up costs.

They're asking us now to trust them in a bill that they promised us, just two years ago, they would not be putting through. This came up as an election issue and the Premier was very clear that, "We will not put in place any form of cap-and-trade or carbon tax."

Very shortly after, we see, of course, looking at the books, they had a budget that supposedly was funded—their infrastructure plans—and all of a sudden they don't have the money to pay for it. This is strictly a tax that's being put on to pay for their lofty dreams. Really, the money is there. If they would just decide how to spend it in an efficient manner, we would have the money for health care. We would have money for infrastructure.

When you tell people that they've more than doubled the revenue, the question has to be, where has the money gone? There's \$65 billion of extra money, and it's gone. You still have to turn around and come back. This \$1.9 billion that's in their general revenue in this year's budget was not there two years ago in a budget that showed the same infrastructure spending. We were asked at that time, or the people were asked, to trust them, but now we're seeing that they're out of money again.

To allow this government to turn around and start giving away anything that's not public and not in the public perusal is dangerous, and we certainly can't support that.

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

Ms. Lisa M. Thompson: I find it curious, at best, to hear the kind of schoolyard tactics: "Oh, they didn't return our phone calls." Well, if a phone call was made, I'd really go back to the government and say, "Tell us the time. Tell us who you called. As members, we will deal with it accordingly on our side."

The Chair (Mr. Grant Crack): Further discussion on PC motion 30.0.2? There being none, I shall call for the vote on PC motion 30.0.2. Those in favour? Those opposed? I declare PC motion 30.0.2 defeated.

Members of the committee, we have dealt with the two sections of the bill that were stood down previously, so we shall return back to clause-by-clause consideration.

We're now at the short title, which is section 79. Is there any discussion on the short title? Then I shall call for the vote. Shall section 79 carry? I declare section 79 carried.

Next, we shall move to the schedules. We have a number of amendments, the first being NDP motion number 76, which is an amendment to schedule 1, subsection 1(1). I would ask Mr. Tabuns to read it into the record, please.

Mr. Peter Tabuns: I move that subsection 1(1) of schedule 1 to the bill be amended by striking out "to reduce, or support the reduction of, greenhouse gas" in the portion before paragraph 1 and substituting "to lead to a measurable reduction of greenhouse gas and the initiative is not already funded or committed to in other legislation, budgets or plans".

Chair, there are two elements in this amendment. The first is to allow for some precision in this question of reducing, or supporting the reduction of, greenhouse gases. We believe that it needs to lead to a measurable reduction of greenhouse gas. If it's not measurable, then it's very hard to say whether or not an investment has been worthwhile or useless. So there has to be that rigour in the wording of the act.

Secondly—and this is something I've touched on previously—we don't want the money that's raised through cap-and-trade to be used for things that are not additional to initiatives that are already in place and already funded. If one allows the funds raised through cap-and-trade to flow back to fill holes created by previous expenditures by the government, it makes it very difficult to hold the government to account and it makes it very difficult to move forward on greenhouse gas emission reduction.

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

Mr. Arthur Potts: We've had that discussion about funding indirectly repeatedly through the discussions on the motions on this bill. We'll have to vote against this because, once again, it limits the ability to fund indirectly, which we think is essential to creating the infrastructure that we need. So we'll vote against this schedule change.

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

Mr. Jim McDonell: I think we've heard statements by the government that the cap-and-trade was not there to fund projects that were previously announced, so I'm not sure why they would not support this, other than that it's a trend we're seeing where we really can't trust what they're saying, because it was not that long ago that we weren't going to see this bill in front of us.

Their budget is very clear: The \$1.9 billion that's showing in this year's or next year's budget wasn't there two years ago, and the infrastructure spending is the same. It's disappointing. It's the same thing as Hydro One: It wasn't there and now it's included in the profit, as well as some of the other assets. Unfortunately, some of those assets can only be sold once. You can take them as a cash flow, but the revenue generated from them now is gone forever. So we're somewhat concerned.

0950

The Chair (Mr. Grant Crack): Further discussion on NDP motion 76? Mr. Tabuns.

Mr. Peter Tabuns: I don't wish to belabour the point. I just want to note that the member for Beaches–East York talked about this referring to “indirect” expenses. That word is not in here. In fact, that isn't the intent of this. Eliminating indirect expenses is another matter and a legitimate initiative on our part. This is trying to avoid use of these funds to cover off other expenditures made by the government, effectively making the investments from cap-and-trade apply to stuff that's already been funded, freeing up money for government use in other areas rather than greenhouse gas emission reduction.

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

Mr. Peter Tabuns: I request a recorded vote.

The Chair (Mr. Grant Crack): A request for a recorded vote, which shall be entertained. Shall NDP motion 76 carry?

Ayes

McDonell, Tabuns, Thompson.

Nays

Colle, Hoggarth, McMahon, Potts, Wong.

The Chair (Mr. Grant Crack): I declare NDP motion number 76 defeated.

We shall move to NDP motion number 77, which is an amendment to schedule 1, subsection 1(1), paragraph 1. Mr. Tabuns.

Mr. Peter Tabuns: I move that paragraph 1 of subsection 1(1) of schedule 1 to the bill be amended by adding “, but not including nuclear power projects, including nuclear refurbishment” at the end of the portion before subparagraph i.

Chair, the bill is not explicit in noting that funds can't be shifted into nuclear at this point. I expect that there will be substantial overruns in the nuclear refurbishments in this province. There will be pressures to move funds out of this account into those projects. Environmental organizations have made it clear to me that this reallocation of funds would be a great error on the part of the government. I'm seeking to block this particular loss of funds for climate action before things go forward.

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

Mr. Arthur Potts: Certainly, nuclear power is an important part of our energy mix currently. All of the refurbishments we've announced are being funded out of the rate base.

We'll be voting against this motion. We're not going to be overly restrictive in the way we're approaching it.

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

Mr. Jim McDonell: I do agree that nuclear power is a key to our future, but again, we've had the government commit us to these programs being previously funded.

I guess I'm not getting from them why, all of a sudden, they're keeping this card in their hand. Why are they keeping this so that—they promise on the one hand that this is for new initiatives; on the other hand, they will not take it off the table that they'll pay for previously-committed-to projects. Are we going to see another huge influx of money that's going to go to pay for their spending addiction on projects that are already supposedly funded? Their budgets are very clear. I guess that's why it's very hard to deceive the public.

How do you add that up? When you go back just a couple of years ago, these huge amounts of money—the \$1.9 billion for this, the billions on Hydro One—were not included in the cash flows. If they were, they were well hidden before the last election—because these are issues that they committed they would not do. When somebody tells you they will not do something and, within a few months of an election, immediately reverses flow, what else will you do?

These are major issues. You've heard from the public overwhelmingly that they're not in favour of these issues, especially with the selling of Hydro One, and yet we see the complete reverse. It's got people worried.

This is even worse because it's a long-term siphoning out of money. This is going to go into administration. We're not building infrastructure with the costs of this cap-and-trade. If it's cancelled in the future because our neighbours go a different route, it's wasted money, and we can't regenerate money that's been spent on administration. We're looking at a large bureaucracy being built here with no guarantee that this is the way of the future. If it were, you'd be working as a coalition throughout the continent on a system that would actually carry some teeth and be something we could get behind. But we don't see that. You're talking about three out of 62 or 63 jurisdictions heading off on a tangent on this cap-and-trade system. More than half of the states that were originally involved in this have already pulled out of the western alliance, and that's not talking about the states and the jurisdictions that never joined in the first place.

Do we have a concern? I guess we do. We haven't heard anything from the government that has been able to reassure us that we can trust these figures. Everything they've done in the past has shown us that we shouldn't trust them. The people of Ontario are going to pay the price on this.

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

Ms. Lisa M. Thompson: I just want to echo what my colleague from Stormont–Dundas–South Glengarry was sharing and emphasize it with the fact that we have proof-points where this government has booked money over and over again. Our finance critic, Vic Fedeli, has done an awesome job in pointing it out. If the members opposite need, we can certainly share some Focus on Finance from our finance critic to specifically outline where they have used this money over and over again—

when you take a look at the Hydro One sale and where they've booked it in multiple places.

The fun with numbers has been outed, and we know what you've done in the past. That's why we worry about what is going to happen in the future. Past behaviour is indicative of future behaviour.

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

Mr. Peter Tabuns: Recorded vote.

The Chair (Mr. Grant Crack): There is no further discussion—and a request for a recorded vote. I shall entertain the vote.

Ayes

Tabuns.

Nays

Colle, Hoggarth, McMahon, Potts, Wong.

The Chair (Mr. Grant Crack): I declare NDP motion 77 defeated.

We shall move to NDP motion number 78, which is an amendment to schedule 1, subsection 1(1), subparagraph 1 iv: Mr. Tabuns.

Mr. Peter Tabuns: I move that subparagraph 1 iv of subsection 1(1) of schedule 1 to the bill be struck out.

For those not familiar with it, this is a section that allows funding from our greenhouse gas emission funds to carbon capture and storage technology. I have to say, Chair, that the history of this technology globally has been a poor one. It's extraordinarily expensive and it's money that would be far better used to develop energy efficiency and renewables. I don't think it's a viable path forward for us, and is one that should not be used to use up all of the dollars that are going to be collected to deal with greenhouse gas emissions.

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

Mr. Arthur Potts: Given the tremendous work this committee has done to bring openness and transparency on all of the projects, and the review of all of the projects, we wouldn't want to be limiting it. There may be opportunities here in carbon storage and capture; we don't know. Let's keep it as flexible and as open as possible. We'll be voting against this to keep this in the potential mix and let the environmentalists judge the projects as they come up on a case-by-case basis.

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

Mr. Jim McDonell: Yes. We would not want to see technology limited. I know that in the case of Manitoba, their coal plants have a carbon capture system in place. One plant captures the carbon, and they're using it for piping. They're using it to pressurize oil wells in, I believe, North Dakota so that the carbon does not go into the atmosphere. The other one is being captured in a field trial.

Carbon has a price as a commodity if you can capture it and solidify it. We're worried that we would try to

limit technology in the future, because technology is what's going to get us out of here. There's potential. I know we've had options for large storage projects that have not been approved by this government, but it seemed to be very important when we're looking at the types of power that they're supporting being wind and solar, where they produce power whether you need it or not. Some type of storage of this energy so that it can be reused later would be key to making any project like this work. But, of course, we've seen that one of the downfalls of our wind and solar projects is just that: that the energy can't be stored. It's not predictable. We've ended up overbuilding our capacity for what our need is.

1000

Our costs are going up—again last month. We already have—what?—our third increase or fourth increase within a year on our energy bills—the fastest-increasing energy jurisdiction in the continent. We're already taking a very high number and making it that much higher. I think we received something last year saying that they would be going up another almost 40% over the next five years, despite the huge increases we've had.

So it just goes to show: Technology is our future. Wind and solar are a problem until we come up with some type of storage system. If we can capture carbon and use it for something else, I think that's something that we would like to see happen.

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

Mr. Peter Tabuns: Recorded.

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

No further discussion? I shall entertain the vote.

Ayes

Tabuns.

Nays

Colle, Hoggarth, McMahon, Potts, Wong.

The Chair (Mr. Grant Crack): I declare NDP motion number 78 defeated.

We shall move to NDP motion number 79, which is an amendment to schedule 1, subsection 1(1), subparagraph 5 iii: Mr. Tabuns?

Mr. Peter Tabuns: I move that subparagraph 5 iii of subsection 1(1) of schedule 1 to the bill be struck out.

I'll just note: This refers to carbon capture, sequestration and storage. This section, paragraph 5, relates to initiatives in the agricultural and forestry sectors that will allow for the reduction of emission of greenhouse gases. I think that investments in such projects are worthwhile.

I have to say, though, that carbon capture, sequestration and storage are highly problematic. This bill does not address the problem that bedevilled this issue when it was dealt with in the course of the negotiations around the Kyoto Protocol; that is, that you may claim that you are reducing carbon emissions by keeping a forest

standing, and that's probably true. But the other side of the question is, who pays when there's a forest fire and all that carbon is released? It's never addressed. It's certainly not addressed in this bill.

If the government brought forward a comprehensive program recognizing carbon capture in forests and carbon liability when those forests burn—and that will become increasingly common—then it might be worthwhile addressing this. But, as written, I don't think it's supportable, and it will lead to a waste of resources.

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

Ms. Lisa M. Thompson: While I can appreciate the comments that we just heard from the member from the third party, I worry a little bit. While he uses the liability issue around forest fires as an example to support this motion, I worry about the broadness of it and how it could impact agriculture, for example, in terms of the practices that they have maintained for decades upon decades, be it cover crops, be it pasture or be it the use of rotational crops. The list could go on and on—wetlands that they're investing in; bush lots. The list could go on and on—even habitats.

Again, they're the best stewards of our land. They live and breathe the stewardship that is so important in producing food, and they stand by it. I just worry that this type of motion could potentially eliminate the good things that are already happening. It's a travesty that this government has rushed this legislation and unfortunately has left the agri-food sector completely out of the first round of compliance. Even though the representatives of the industry lobbied very hard to be taken credibly and seriously, this government chose to ignore them. I just worry about the future ramifications of this motion.

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

Mr. Arthur Potts: The government supports most of what the member, Ms. Thompson, was saying, particularly around agriculture. There may be opportunities through regulations, and valuations will determine whether the credits are long-term, demonstrable and sustainable. I think the market systems and the regulations will sort that out. So we'll be voting against this.

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

Mr. Jim McDonell: This clearly shows one of the fears we have. The agriculture sector's overall carbon picture is a main player, and it is a contributor to it. They can also be a big player in reducing carbon. You've got two systems here.

I live right along the border. We compete very much on the price of corn and soybeans. We're lucky to have a climate in eastern Ontario that allows us to be a very successful agricultural area. If you move south into New York, there are areas that aren't that great, but as you move into—there are huge markets down there. They dwarf what we can produce up here. Now you're driving up our costs.

The price of our goods is set in the Chicago market, the US market. We're a price-taker, and we're dealing now with an economy that's much bigger than ours.

Typically, the farms can be a lot larger. We've got some great practices, but nothing is there to reward farmers who would spend more money to cut down on carbon use. We have the costs that they're going to see on their fuels. We see the penalties they've done through some of the pesticide restrictions that are not utilized around the world. Everything we deal with agriculture seems to be a penalty to our ability to compete.

Again, it does say something about our farmers that we are able to compete and do quite well. But you can only be disadvantaged so long before it just becomes too expensive. We see issues like where they've been outside the carbon credit system. The main goals for cutting down carbon: Should we not be looking at a sector that contributes—is it 20%, 30% of our carbon footprint? We're looking at the penalty side; we're not looking at some things we could do to help there. The human population needs food. We're one of the biggest contributors to the carbon problem, but we do need food to survive, and that food should be made as efficiently as possible. We see nothing in this bill that's going to do that.

We think that part of it—whether it be forestry and making sure these forests are there. I think, as Mr. Tabuns said, the forest fire side is not there, but you need to set a system up that allows for that. The amount of carbon that you're trying to get down to has to allow for the fact that yes, there's going to be carbon produced for necessary issues, and one of those would be combatting fires. It's an issue. Overall, we have to look at our forest network as being a huge benefit to the system. There are problems with it, as there are with everything else.

The Chair (Mr. Grant Crack): Mr. Tabuns and then Ms. Thompson.

Mr. Peter Tabuns: I just want to note for the record that my amendment does not abrogate the wording in the clause that calls for support for agriculture, soil and forestry approaches that are intended to reduce or remove greenhouse gas and focus solely on the carbon capture section. I think it makes sense to support agriculture and forestry in the fight against climate change, but there are parts of this bill that will lead us down a path that is a dead end. That's why I've moved this amendment.

Ms. Lisa M. Thompson: I just want to say that I appreciate the comments from our member from the third party because as we look at strategies to go forward and sustain and help grow the economic drivers in northern Ontario, we need to be mindful of everything we can do to promote our forestry industry, as well as our agriculture. In particular, the Ontario beef farmers are working very diligently on a strategy to expand beef production in northern Ontario. Again, the whole element that's involved in beef farming is primarily a perfect sequestration—we'll make that into a word—of carbon because when you're growing beef cattle it's all about the cover crops, be it hay, be it the wheat crops with regard to the straw that's needed, and, specifically, with cow-calf operations, you need the pasture for sure.

1010

Again, I think this is really important to touch on right now because the Ontario beef industry has lobbied this

government for support of their strategy to expand and develop their economic footprint in northern Ontario, but all the while, going to back to April 20, we have a Minister of the Environment who actually is promoting meatless Mondays. We have to question the sincerity of this government in terms of working with all of the sectors in growing forward, so to speak. It's cause for concern that this government has people in leadership positions that may be talking out of both sides, at great cost. It just further erodes confidence that the beef farmers, as well as industry, has in this government. We have to be very careful of our motions, but I appreciate the clarification that the member had shared from the third party.

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 on NDP motion number 79. There appears to be no further discussion.

Ayes

Tabuns.

Nays

Colle, Hoggarth, McMahon, Potts, Wong.

The Chair (Mr. Grant Crack): I declare NDP motion number 79 defeated.

We shall move to NDP motion number 80, which is an amendment to schedule 1, subsection 1(1), paragraph 6. Mr. Tabuns.

Mr. Peter Tabuns: I move that paragraph 6 of subsection 1(1) of schedule 1 to the bill be struck out.

Chair, I listened to the presentation by Environmental Defence and read their background documentation. It's pretty clear that, with regard to the waste system, we already have legislation that's coming forward. That legislation should reflect the goals of reducing greenhouse gas emissions. The money that's raised with cap-and-trade, as large as it may appear, will actually be quite small, given the scale of the task before us. This is an area that can be addressed by other legislation. The money that's raised by cap-and-trade shouldn't be applied here.

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

Ms. Lisa M. Thompson: Again, it gives us an opportunity to reflect on how we feel the—I'll back up. The member from the third party's comments gives us opportunity to reflect on and further emphasize our position with the PC Party of Ontario with regard to how the money raised by pricing carbon should be used. Of course, we all want to reduce greenhouse gas emissions, but any dollars generated by a carbon pricing plan—really and truly, given the fact of the matter, we all accept the fact that costs are going to go up. Consumers, busi-

nesses and Ontario taxpayers are going to be shouldering the brunt of those increased costs.

I feel that it's very important to recognize that our position would be that any carbon pricing plan should involve an opportunity to be neutralized and revenue-neutral so that ultimately there is a break for the folks who are shouldering the responsibility with regard to the financial aspect of reducing greenhouse gas emissions. I'm sure my colleague can add to that as well.

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

Mr. Jim McDonell: I think the member from the third party talked about the huge costs. This is money coming out of our economy, and we certainly have a worry about how that's going to be spent. Is it going to be spent on something that adds to productivity and would help make our industries a little more competitive? We don't see that so far.

All we're seeing is the cost of administration. We're talking about a huge amount of money, a huge bureaucracy. Those people have to be paid. The government should be looking after the requirements and the needs and getting out of the taxpayers' way. Allow them to raise money, to pay the taxes that pay not only our salaries but the salaries of a good portion of the public service. They pay for a lot of the benefits that we receive—all of our benefits—and for the disadvantaged. We're just creating a new level of disadvantage in this province. We're looking at adding to that number in a great way. We see—

The Chair (Mr. Grant Crack): My apologies, Mr. McDonell.

It is now 10:15. This meeting is recessed until 2 p.m. this afternoon. We will continue with Mr. McDonell, when we return, on NDP motion number 80.

The committee recessed from 1015 to 1401.

The Chair (Mr. Grant Crack): It is 2:01, so I call this meeting back to order. This is the Standing Committee on General Government. 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 at NDP motion number 80. At that time, Mr. McDonell was in the process of making comments. However, I did have to end the session at that time. I will respectfully return to Mr. McDonell to continue on NDP motion 80.

Mr. Jim McDonell: Just briefly, 80 was the—

Ms. Lisa M. Thompson: Yep, right here. Essentially, they want to decrease greenhouse gas emissions and be specific with regard to where the money was going, and I have that right here.

Mr. Jim McDonell: Okay. So just to get back into where we were, we were talking about our concern with this bill and how it's going to disadvantage many of our industries that we depend on so much for our employment and the revenue that this government receives.

We really are questioning why we aren't going ahead with a North American plan, a continental plan. I think that Ontario could be a leader. We used to be a leader in manufacturing, so we were a force to be dealt with. Un-

fortunately, we've seen that, over the years, the window, so that we were no longer the strong force in manufacturing, but we could be a strong voice in the carbon future. But we can't do that unless we allow ourselves to actually lead a strong group of jurisdictions. We belong to the state governments' group, which we meet with a number of times. I had the privilege of being down there last year, in Nashville, Tennessee. I know that they're very interested in the carbon issue. They talked about some of their challenges. But they also highlighted how half their states are challenging it in court and will not be moving on this initiative.

That should be a warning to us, that we may be dealing with an unfair advantage in at least half of the United States. So are we willing to penalize our companies when we can't get a much bigger polluter onside? I think that if they're going to get onside, it's going to take a strong voice from Canada, and that strong voice can be a strong voice from Ontario.

It would be showing leadership from the government if they were to take this on. I think that the people of Ontario would certainly think that that's an important initiative that should be taken on, and not going off quietly on our own. Obviously, from the method that they're taking, it's all about the money. We can't be all about the money; we have to be about our future as well.

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

Ms. Lisa M. Thompson: I appreciate my colleague's comments. This particular motion, NDP motion 80 on paragraph 1(1)6, would limit the government's ability to spend revenue collected through the greenhouse gas reduction account on initiatives relating to the reduction of greenhouse gas emissions, particularly, as we understand it, from the waste system.

For those of you who don't know, we've got two particular bills in committee going through the clause-by-clause process at this time, the second one being Bill 151, the Waste-Free Ontario Act. I really wish we could have seen more coordination between Bill 172 and Bill 151. There are many opportunities with regard to managing Ontario waste streams to reduce emissions as well.

For instance, the MP from Bruce-Grey-Owen Sound, Larry Miller, and myself had the opportunity to visit a biodigester about a week ago now, just outside of Walkerton. The facility is owned and operated by Carl Frook and his family.

It's interesting, because he is able to remove from the waste stream by-products from Maple Leaf Foods and Maple Lodge from just outside of Georgetown on Winston Churchill, in between—I guess it's Highway 401 and Highway 7 on Winston Churchill. They're doing a great job, because they combine this source of waste stream and they're recognizing the value in it. He's able to use the—I'm going to be straight up—manure from his beef feedlots and, in an anaerobic digester, take emissions out of the air in terms of the reduction of greenhouse gas emissions and put it to good use to generate electricity.

I thought it was interesting, what he was showing us. It's a fascinating source of energy production, and he too

was even, a couple of weeks ago, for the first time in three years, made to ratchet it back a little bit to make room on the grid for a source of energy that is very heavily subsidized and not needed at this stage of the game. I thought, we're not just spilling water, but biodigesters, biogas facilities are being asked to ratchet it back as well to make room on the grid for other sources that we currently can't afford and don't need at this stage of the game.

The fact of the matter is, there is a connection, as I said, between totally having a circular economy with regard to waste and the positive impact that could be achieved through the reduction of greenhouse gas emissions. We need to take all of this into consideration, because our party has had many concerns about how this government is spending our taxpayer dollars, particularly through this bill. We referenced our finance critic Vic Fedeli's initiative, Focus on Finance, which is very much sought after. As has been mentioned before, we worry about how many times this government books particular dollars, be it from the sale of Hydro One or be it from revenue generated through their cap-and-trade scheme, recognizing that this particular scheme will generate, as I said, \$1.9 billion for a Liberal slush fund. We have to be very careful about how this burden is utilized—

Ms. Soo Wong: What does this have to do with the bill?

Ms. Lisa M. Thompson: Because it concerns Ontario taxpayers. That's the concern here. That's how it pertains to this particular bill. We need to pay respect to Ontario taxpayers and be very, very careful as to how we go forward.

This particular motion brought forward by the NDP is actually concerned about government expenditures. We all know that the manner in which this Liberal government has gone forward totally lands on the shoulders of taxpayers. Your environmental minister actually said, a week ago, for those of you who maybe weren't here earlier, that this cap-and-trade slush fund concept or scheme is going to be very expensive for Ontarians.

Ms. Ann Hoggarth: He did not say that.

Ms. Lisa M. Thompson: He did so. I attended the Economic Club. I heard it and the reporters captured it as well.

Interjection.

Ms. Lisa M. Thompson: We can just agree to agree that he, as a minister, a senior member of the Liberal cabinet, is on record as saying that this cap-and-trade scheme is going to be very expensive for Ontarians as they move forward, picking winners and losers.

While this particular motion has a lot of merit, we still have to exercise concern and, just to recap, our party in particular has many concerns about how this government is going to be spending the very few dollars left in Ontario taxpayers' pockets, particularly through this bill.

1410

I think I will leave it at that. Just to close, though, I should say that we need a government that's going to be focusing on setting targets and encouraging innovation,

efficiency and conservation. That's an intersection that is realized between Bill 151 as well as Bill 172. Again, to repeat: We need to focus more on innovation, efficiency and conservation. Although this government has lost credibility with taxpayers recently, because just May 1 hydro rates went up again, conservation should be recognized for what it is. Unfortunately, Ontarians are using less, but they still have to pay more. The Liberal concept of energy conservation leaves a bit to be desired in that regard.

Again, we want to see more on innovation, efficiency and conservation, and less on the gouging of taxpayers. Because, like we mentioned a couple of days ago, third-party industry analysis is showing whereby this cap-and-trade initiative is going to make the cost of Ontario fuel and home heating go up at least another \$900 a month. When we hear from members who have folks—like the member from Renfrew–Nipissing–Pembroke. He was talking to people who have to go to the food bank in order to pay their energy bills. It's an absolute shame. He just spoke to a lady who mentioned that on Sunday. This is what Liberal initiatives are leading Ontarians to. They have to choose between heating or eating, and it's a travesty.

I think we'll just leave it at that for now. Perhaps my colleague might have a few more words.

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

Mr. Jim McDonell: Thank you. I just wanted—a couple of things that my colleague brought up, talking about the biodigesters. I think it speaks to needing an integrated plan when it comes to the reduction of carbon. Just outside of my riding and just outside of the Chair's riding in Marionville—it's a small village of about 200 people or less. It has three ridings. The south side of the street is mine, the east side is the Chair's and the west side is Lisa MacLeod's.

They had a biodigester that they installed at great cost, with many, many hurdles from the Ministry of the Environment. Essentially, it's a manure pit with a cap on it. That's really what it is. The work and the time almost bankrupted them to put it in. In looking at it, I thought, "Isn't this just what the government should be promoting?" We're talking about the reduction of carbon. It's a huge amount of carbon produced in the dairy and beef industry. This captures that, turns it into methane that is then burned in a turbine to produce electricity.

It wasn't the issue of being able to—first of all, they got permission to produce electricity, but it was all the hurdles around the biodigester, which is not rocket science. It's used all over the world. The question really was: Why is it such an issue? This is now energy that can be somewhat scheduled to pick off-peak times of the day, so it's not energy that is totally uncontrolled. It is picking up carbon that is going into the atmosphere. I think the agricultural field—the cattle size is around 15% of the issue, the carbon load. It gets rid of that. Really, it's something that could be promoted. Farmers could actually pipe their manure to centralized digesters and really solve a lot of problems.

It just goes to speak to that we don't have an integrated plan that looks at all of the facets of really what we're trying to get to. It's the same issue in a landfill site in my riding, where they have a licence to produce electricity, but they're flaring off large amounts of methane gas that—they're already set up; it could turn back into the grid. The answer might be, "Well, we don't need the power," but at the same time, we just authorized a 100-megawatt windmill project in the same area.

Again, methane gas that has to be flared off, which doesn't completely—it produces carbon dioxide, but that could be used as part of our energy solution. In the same area, you're creating all these windmills that are really unpredictable as far as time-of-day use. It just goes to show, again, a lack of planning by this government. They've been trying for more than a year to get permission to generate this extra power and add it to the grid, with no success.

Where are they going? I don't know. This is a natural resource that we're thumbing our nose at, but at the same time, spending a huge amount of money looking for an unreliable equivalent. If we're really serious about cutting down carbon, let's look at the low-hanging fruit, because that leaves the low-hanging fruit.

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

Ms. Lisa M. Thompson: Earlier this morning during question period, our colleague the honourable member from Haldimand–Norfolk made reference to the fact that the Green Investment Fund is not tied to agriculture one iota during this first round. That was a glaring omission that popped out of the budget immediately for us when we reviewed the budget a couple of months back. Maybe it was because it was rushed itself that agriculture was an oversight, but the fact of the matter is, when you have initiatives like biodigesters—my understanding is, when I reflect on the conversation that I had a couple of weeks ago, biodigesters will not have an opportunity to qualify for the carbon credits. All the while, they're doing a great job of removing emissions from the atmosphere. The realities are that these folks truly believe in what they're doing and they're managing the resources that they literally have.

As I've said before, as well, farmers in Ontario cannot be denied. They want to be the best stewards they can be. For the folks who have taken time and made huge investments in their own right in terms of removing the emissions associated with beef farming, in particular, removing them from the atmosphere and utilizing that product in a positive manner, it should be recognized.

To give you the sense, this one family had to spend \$640,000 of their own money to connect to the grid—\$640,000 when they had this great idea, which is a very solid, consistent production of energy. It took a while for the payback of that investment to happen. People are willing to do their part, but I think the government needs to step up and be willing to do their respective part. We need more assurance that, in that regard, they're not going to be wasting the \$1.9-billion slush fund on pet projects or picking winners and losers. They should be

looking to a Green Investment Fund that actually celebrates and embraces the innovation that is happening outside of what the government thinks they can influence—the circle of influence, if you will.

We need to be very careful with regard to moving forward. I think we've been very fortunate to have been able to exercise some of these concerns on this particular motion.

The Chair (Mr. Grant Crack): Any further discussion on NDP motion number 80? There being none—

Mr. Peter Tabuns: Just a recorded vote.

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

Since there is no further discussion, I shall call the vote on NDP motion number 80.

Ayes

Tabuns.

Nays

Colle, Hoggarth, McMahon, Wong.

The Chair (Mr. Grant Crack): I declare NDP motion number 80 defeated.

We shall move to NDP motion number 81, which is an amendment to schedule 1, subsection 1(2), paragraphs 2 and 3. Mr. Tabuns.

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Mr. Peter Tabuns: I move that paragraphs 2 and 3 of subsection 1(2) of schedule 1 to the bill be struck out and the following substituted:

“2. Developing and delivering education and training, not including advertising.

“3. Providing information to the public, not including advertising.”

Chair, I'm worried about the potential for funds to be diverted into advertising. Given the change in the regulations related to the Auditor General's oversight of government advertising, I'd be worried that the advertising would be far more oriented to lauding the government than with actually dealing with climate change. I suggest that this be incorporated into the bill so that public interest is protected.

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

Mr. Arthur Potts: We think it's very important that the public knows about the programs that are available so that the public can get on board and take the steps necessary in order to create the carbon reductions that we want to see. So we'll be voting against this motion.

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

Ms. Lisa M. Thompson: You know, it's interesting that this particular motion came to the table today because, just reflecting on what our discussion was earlier in question period where—and it's a proof point to the member from the third party.

During question period, there was a discussion around the proper response and support for families with children with autism. We heard a lot of angst around the type of advertising this government is known to do. This is astute on the part of the member from the third party, in that they want to make sure that the hard-to-come-by Ontario tax dollars do not go towards advertisements that, essentially, pat the government on the back for something that Ontarians, at the end of the day—be it taxpayers or businesses—can't afford in the first place.

Again, this appears to be a sensible motion to restrict the government's ability to spend funds collected through the greenhouse gas reduction account. We quite simply don't trust this government. We're deeply concerned over how they already have designed the expenditure of the \$1.9 billion they'll be collecting through their slush fund.

We need to remind everyone of the Financial Accountability Officer's comments in that regard. Again, just to refresh everyone's memory, we heard from the Financial Accountability Officer that he's becoming increasingly concerned with this government's lack of transparency. We echo that in the loyal opposition. He reported—and you might recall the deputation where he sat in front of us and said very clearly that he would likely be unable to access government documents that detail projects receiving money from the Liberals' cap-and-trade slush fund. That is a huge red flag.

Bill 172 does not require the minister to even develop an evaluation of the initiative and submit it to the Treasury Board. Everywhere you turn, there are significant red flags as to how this government should not be trusted because they're setting it up so that they can—even motions that we debated earlier this morning and yesterday speak to the fact that they do not want any oversight into the manner in which they're spending the \$1.9 billion that they're raking in from Ontario taxpayers and businesses.

Again, the Financial Accountability Officer has warned that the government will subject the reviews only to cabinet confidentiality. So what does that mean? When the reviews are subjected to cabinet confidentiality, the public will not be able to have access. All of this information will be withheld from the public.

Essentially, we stand tall and we're unwavering in our conviction that the people of Ontario deserve accountability from this particular government. I just can't echo enough that we should be listening to our independent officers of the Legislature here in this province. Anyone listening or tuning in via TV or reading the Hansard later today should be concerned as well when they hear that the Financial Accountability Officer is becoming increasingly concerned with this government's absolute, complete lack of transparency.

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

Mr. Jim McDonell: I definitely see the concern of the NDP motion here. We've been talking about the money being spent on advertising versus going back to helping people. Like in the case of autism, they've simply

knocked everybody off the list who had five years or more—over five years. If you consider that case there, the average age of being identified is four. Parents are now forced to put a lot of time and effort into trying to get the test done. It's expensive. Now, after all that money is spent, it's gone.

At the same time, we see all kinds of advertisements. You see the Stanley Cup playoffs coming up here—and I know the Chair is not in first place in his pool, but he's working on it. It's a very high-profile time of the year to get advertising, and of course this government has no trouble outcompeting other people who are looking for advertising. Is it really in the best interests of the public, or is it just a blowing of one's horn?

We've had information from the Financial Accountability Officer who, at this time last year, when the budget went through, along with the Auditor General criticized the government for removing their ability to comment on whether the advertising was partisan or not. One would wonder why you would remove that function of their job. You'd obviously do it if you were planning on getting involved with partisan advertising.

That's why we can't trust this government. We see, at every step they take, those are the things they're doing. Just looking at the average family here, we're looking at dumping on a cost of \$900. It would have been interesting if that had been in the last election's platform. We had a strong commitment, promised by the Premier, that they would not bring this on. It's no wonder that I hear in my riding, "It's promise made, promise broken." It's just another one.

This whole issue of advertising is very murky. It's extremely costly. In my riding, we had a lady involved with a rare disease being turned down for help. Going to the States is going to cost \$200,000 and there's no money for it. Just saving one of those advertisements would probably cover her treatment and, unfortunately, it's a life-and-death situation.

We see real people going without help. Jim Wilson, who's a former health minister, said it just shows the seriousness of their money issues because he said, "We can always find some money around to help people." We're not seeing that.

Ms. Eleanor McMahon: Mr. Chair?

Mr. Jim McDonell: We're talking about advertising here, the waste of it and why we would—

Interjections.

The Chair (Mr. Grant Crack): Order, please. Mr. McDonell, continue.

Interjections.

Mr. Jim McDonell: I think we're talking about an amendment here that has some concern over what we've seen in the spending of advertising funds. These are public funds. This government has given many, many opportunities for us to have some concern over the money that's wasted. As my colleague said just today, we're looking in areas where advertising is taking preference over actually helping people.

We think that's sad, and we certainly have some concerns. If you're going to give them \$1.9 billion—we're worried about where they're handing these credits out, who's getting money, and also the advertising, because it is a huge amount of money. If you think of where their spending has gone and how they're still short of money, you've got to wonder where this money is going because it's not achieving the results. It didn't build the infrastructure. They talk about a huge issue with infrastructure and it's there. Obviously, money was spent elsewhere.

It is a concern. We have some deep concerns over having no control over advertising.

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

Ms. Lisa M. Thompson: I want to share with everyone and get it on record that I very much appreciate the comments that my colleague from Stormont-Dundas-South Glengarry shared, because he talked about partisan advertising. This is something that we need to be very cognizant of because, as we've worked our way through the whole series of motions and amendments for this particular bill, time and again, the government has voted down every effort of the third party and ourselves to narrow and restrict the type of spending that could be realized through this cap-and-trade spend.

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In particular, you'll all recall we exercised our concern around indirect costs. But again, every effort we made to try and make this government accountable, to try to incent transparency so people could clearly see where their taxpayer dollars are going, the government voted against it. They chose, instead, to pursue legislation and amendments that maintain a very broad-based approach that is not restrictive in any manner, with regard to how they're going to use this slush fund generated on the backs of Ontarians.

I give kudos to our third party, the NDP, because, again, just to revisit their particular motion, they wanted to have subsection 1(2) of schedule 1 to the bill be struck out and substituted with the following: "(2) Developing and delivering education and training, not including advertising."

Absolutely. Education and training is paramount when we want to talk about how to reduce greenhouse gas emissions. We need to increase awareness of how everybody can contribute to that common cause that we all agree is important, and that's the reduction of GHGs or managing climate change. It's a very serious issue that needs thoughtful approaches.

Then, their second point was: "Providing information to the public, not including advertising." I really applaud them for this. I just have to think back to the by-election in Whitby-Oshawa. Chair, I was appalled. I think it's safe to say their effort, in terms of specific advertising that they did in that riding, backfired. This government had the audacity to have their own Premier—their own Premier took to the airwaves and implied that we would take them back to the use of coal. Everybody saw through that spin. Everybody lost respect for the Premier and the Liberal government of the day for trying to spin and play scare tactics like that.

Where are those dollars coming from for that type of advertising? I can tell you in no uncertain terms, based on the plurality and the overwhelming success that our colleague Lorne Coe from Whitby–Oshawa realized, the general population in Whitby–Oshawa—and I would dare say, throughout Ontario—would say, “You know what? We’ve had enough of this Liberal spin. We’re tired of them wasting our dollars, like this type of petty, useless advertising.”

The fact of the matter is—truth be known—it was Elizabeth Witmer, as Minister of the Environment, who moved forward with the closure of the first coal plant, and Jim Wilson, when he was Minister of Energy, signed the order for that to happen. So it was absolutely ludicrous. Maybe the Liberal government and the Premier forgot—

Mr. Jim McDonell: It was promised in four years, and it turned out to be 14.

Ms. Lisa M. Thompson: Yes, interesting. That’s a good point my colleague just said. They promised they were going to continue to close down coal, and it took them 14 years to actually get to it.

But with regard to the first initiative, Elizabeth Witmer—

Interjection.

Ms. Lisa M. Thompson: Now, now, who’s off topic?

The Chair (Mr. Grant Crack): Order.

Ms. Lisa M. Thompson: Thank you very much, Chair.

Partisan advertising was absolutely ludicrous. The partisan advertising that happened in Whitby–Oshawa, that actually was an absolute lie about the manner in which this Liberal government and Premier tried to convince people in Whitby–Oshawa that we were going to return to coal—

The Chair (Mr. Grant Crack): Ms. Thompson, I’m going to ask you to withdraw on “an absolute”—the comment you made.

Ms. Lisa M. Thompson: Okay. I withdraw.

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

Ms. Lisa M. Thompson: But it’s the end result that speaks volumes, and that is that the advertising this government has utilized has to be held to account. That brings us back to our comments that the Financial Accountability Officer is very concerned and becoming increasingly concerned with this government’s lack of transparency.

They think they can use Ontario tax dollars however they choose. I think that this motion that adds the phrase “not including advertising” to how this government may spend the funds collected through cap-and-trade is very astute. I think we’ve hit a nerve here a little bit when we actually cite true examples of the poor decisions and the absolutely inexcusable advertising this Liberal government has pursued to try and sway. At the end of the day, their spin resulted in an absolute, dismal failure in the Whitby–Oshawa by-election.

Their spin is going to continue to be their Achilles heel because people see through it now. They’re abso-

lutely tired of it and I would dare say there will continue to be resounding defeats as we move through future by-elections.

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

Mr. Peter Tabuns: Recorded.

The Chair (Mr. Grant Crack): I see there is no further discussion on NDP motion number 81. There is a request for a recorded vote, which I shall entertain.

Ayes

McDonell, Tabuns, Thompson.

Nays

Colle, Hoggarth, McMahon, Potts, Wong.

The Chair (Mr. Grant Crack): I declare NDP motion number 81 defeated.

We shall move to NDP motion number 82, which is an amendment to schedule 1, subsection 1(2), paragraphs 4 and 5. Mr. Tabuns.

Mr. Peter Tabuns: I move that paragraphs 4 and 5 of subsection 1(2) of schedule 1 to the bill be struck out.

Chair, the amendment or the motion is made in order to protect the allocation of the funds to those activities which will have direct impact on reduction of greenhouse gas emissions. I worry that paragraphs 4 and 5 in this section might leave the door open to a wide variety of pet projects that may not actually move things forward.

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

Mr. Jim McDonell: I guess we have the same concerns about the pet projects. We see a strong correlation between fundraising attempts and awards of grants being handed out by this government. We hear it all the time. As people start to dig into it, it just comes out over and over again. That’s why we’ve called a public inquiry to look at possible corruption in this government. People in my riding wouldn’t say it’s possible but, to give them some credit, I think that we need to clear the air and just see what is there.

We also need to make sure that we are funding or encouraging the strongest in the way of innovation in anything this province does. Certainly, carbon offsets and carbon reduction are important items that we have committed to tackling in our party as well. We certainly have a different way. We think that it would be more advantageous for the objective and also for the economy as a whole.

Right now, we have businesses doing the heavy lifting and the government is sitting back and skimming off the profits. That’s going to get dangerous if those profits are getting slim. As we say, companies are leaving because they just can’t compete. But we talk about the need for an integrated plan. We hear in this government—we have one minister who talks about the closing down of nuclear plants within 10 years, and we talk about another one who is spending \$12 billion to retrofit them.

Ms. Lisa M. Thompson: But then we have an environment minister who says they are going to be stranded assets in 10 to 20 years.

Mr. Jim McDonell: Yes, so if we really think we're going to be shutting them down, why are we spending \$12 billion on retrofitting them? I don't believe we'll be shutting them down but if that's really their belief, and where the environment and climate change minister wants to go, then we have to get the two sides to save the \$12 billion. If that's really what you're planning on doing, it's not responsible. This is scarce capital that we have.

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We look at things like—today happens to be the first anniversary of the passing of Ryan's Law, very much a health issue that received all-party support, but we haven't seen the government fully implement and fund the program. We have money for advertising and we have money for initiatives that, really, have nowhere to go, but we don't have money to help people. We need an integrated plan.

We go back to 2011, when I was elected—the people who design these systems, the association of professional engineers, were very clear; they wrote an article that the Green Energy Act was doomed to raising prices. Actually, on the technical side, they said that their system was designed for it. It would be costly and it would fail. We're seeing now the results of that. We have hydro prices that have skyrocketed. They've more than doubled. Is there nobody on the other side who listens to the advice that comes from the OEB or the different associations?

I know, sitting in on the last bill we were on, their concern was that the minister—of course, they were criticized for not utilizing the evidence they're getting. All this bill does is remove the fact that the Ontario Energy Board would actually provide any information, and that they "may" consider instead of "shall" consider. It's things like that where you really wonder. These are agencies that are created by the government to provide information, so why aren't we using this? If you're not going to use it, then save the salaries and get rid of it. I guess, as far as they're concerned, the message to the government—that they're looking for a solid plan.

We're very worried about this. They're removing oversight and creating another bill. There's some low-hanging fruit they're ignoring. They're ignoring the agriculture side. They're jumping in ahead of time, really, before we can work with our neighbours to get a good, solid, bulletproof plan that will actually work. It's got us worried, and it's got businesses and families in my riding nervous.

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

Ms. Lisa M. Thompson: Again, with regard to this particular motion, I just want to revisit the fact that this motion would strike out a clause allowing the government to fund (a) activities related to innovation, and (b) other actions.

While we appreciate the NDP's attempts to increase transparency around this bill, we really feel strongly, be it

with regard to waste management, be it with regard to the reduction of greenhouse gases, that we need to be stepping aside and allowing businesses and corporations and the thought leaders to drive innovation efficiencies and, ultimately, conservation.

We feel the government should be helping fund activities for innovation, because, as was alluded to just moments ago, businesses are already doing the heavy lifting of the reduction in emissions through cutting-edge technologies, and we should be working with them, not against them—they being the private sector—to address climate change.

I can't help but think of stakeholders that I've met with in my role as critic for environment and cap-and-trade specifically. I hear time and again very exact examples of how businesses have been reducing their emissions over the last 10, 15 years.

In fact, it's interesting—I want to note one company in particular from Sarnia-Lambton, which is very well represented by our colleague MPP Bob Bailey. There's a company called Nova Chemicals. They're looking to grow, they're looking to expand, but they are concerned that this government is sending all the wrong signals, be it through the skyrocketing cost of electricity, through the ORPP, or through cap-and-trade. They're one company that has led by example, and they feel they're getting whacked every time they turn around by this Liberal government. So when it comes to their expansion, they could very well be looking south of the border, which would be a shame.

The irony in all of this, the absolute irony in this, is that in a few short days, when the minister is awarding his awards of excellence for innovation with regard to the environment, Nova Chemicals is going to be recognized for their leading-edge initiatives to reduce emissions. All the while, they're very concerned about the cost that cap-and-trade is going to lay down on their shoulders. They said this government needs to wake up and start sending the right signals that the Liberal government in Ontario wants to be open for business, as opposed to driving business south of the border.

Another thing that was said by my colleague made me think of another reason why this government can't be trusted and we should have been supporting many of the bills that both our party, the PC Party of Ontario, as well as the NDP brought forward to build in accountability and transparency, because this government just can't be trusted. In question period alone today, there were two key examples why we, as loyal opposition and the NDP together, have to hold this government to account. Because the Minister of the Environment, last week, during his presentation to the Economic Club, specifically said that he sees nuclear generation stations becoming stranded assets within 10 to 20 years.

Well, Chair, I just couldn't believe that he actually would say something that absolutely irresponsible. We, the PC Party of Ontario, recognize that the nuclear generation that happens in Ontario is our baseload. Nuclear generation has helped stall and maintain a little bit of

integrity in the pricing of electricity. We cannot allow one-offs. This minister should be accountable to the cabinet. If I was the Minister of Energy, I would have been livid at my fellow minister for suggesting that a type of energy production that represents between 50% and 60% of our overall production in Ontario at any given time of the year would become a stranded asset within the next 10 to 20 years when the deals have just been inked to refurbish—absolutely irresponsible.

Another example—just in question period alone today—of the Minister of Environment going completely off-track and against a fellow minister was his suggestion that to reduce emissions, we should go without eating red meat. Well, for goodness' sake, Chair, we spoke just moments ago about the innovation that actually is being driven by private interests with regards to biodigesters. This particular minister has the audacity and the gall to stand in front of people suggesting, "Let's not eat red meat." It just doesn't make any sense whatsoever.

And, again, there's another minister—the Minister of Agriculture, Food and Rural Affairs. I'd be taking that particular minister out behind the woodshed, because there needs to be some tuning up—

Mr. Mike Colle: Listen, that's out of order, Mr. Chairman. What's this got to do—

Ms. Lisa M. Thompson: Because we're talking about trust.

Interjections.

The Chair (Mr. Grant Crack): Order, please.

Mr. Mike Colle: She thinks it's funny.

Ms. Lisa M. Thompson: No, it was the reaction.

The Chair (Mr. Grant Crack): Order, please. Ms. Thompson—

Ms. Lisa M. Thompson: It was his reaction I smiled at.

Mr. Mike Colle: Mr. Chair, on a point of order.

The Chair (Mr. Grant Crack): Point of order, Mr. Colle.

Mr. Mike Colle: It is really unparliamentary to threaten physical harm to another member of our Legislature. I'm not going to sit here and allow that threat to take place. It's got nothing to do with climate change, yet she's threatening a minister with physical harm and that is unparliamentary, totally unparliamentary, and it shouldn't be tolerated.

The Chair (Mr. Grant Crack): Thank you for your point of order, Mr. Colle.

Ms. Thompson, I would, number one, tend to agree with Mr. Colle that the use of language in this committee should be a little more parliamentary. I'm going to ask you to withdraw that, even though it's probably going to set a precedent. I feel that it was on the line, but just a little over, so if you'd be so kind to do that.

Ms. Lisa M. Thompson: I withdraw, but—

The Chair (Mr. Grant Crack): Thank you. Continue.

Ms. Lisa M. Thompson: I will continue. Thank you.

Just to clarify, it is absolutely appalling that we have ministers of the cabinet—one minister in particular

suggesting policy that absolutely is in contravention of what other ministers are trying to achieve.

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My reason for being very strongly worded in this regard is that the Minister of Agriculture, Food and Rural Affairs has been working with the Beef Farmers of Ontario to expand and grow their industry, particularly in northern Ontario. What does that represent? That represents an opportunity to sequester more carbon by the manner in which the beef industry can provide pasture and provide cover crops. There is a large opportunity to have positive impacts on the environment.

It all comes back together, and the lines and the dots are all connected, with our comments. The irresponsible comments that are being shared by one minister that reflect badly on two other ministries really should be addressed because everything he has commented on in less than a full week has negative impacts on the trustworthiness and his ability to clearly manage such a significant and—actually, the largest taxation scheme that Ontario has ever faced. That person who said that was Mr. Greg Sorbara himself, a former finance minister.

We have to be concerned with regard to the trustworthiness of this government and how one minister is butting heads with others. That is why we need to really take a look at how we need to talk about the government's ability to spend revenue collected through the greenhouse gas reduction account.

I can't stress enough: We need to focus on innovation, efficiency and conservation. Part of that innovation is indeed growing the beef industry in northern Ontario so that they could sequester. That type of innovation also represents the manner in which we could utilize particular by-products of the beef industry and create energy. It's a perfect intersection right there with regard to biodigesters. The fact of the matter is, this all comes down to properly managing the scarce resource known as the Ontario tax dollar.

Again, the loyal opposition stands very tall and firmly against any way this particular government is going to try to trust their slush fund and the funding of it on Ontario taxpayer shoulders.

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

Mr. Jim McDonell: I just wanted to add a couple of things. We see the concern about the spending. It was interesting to note that at last year's Paris summit we had more people attending that conference than the US, the UK and Australia combined. This is just a case of catching the government's hand in the candy jar. You look at the discrepancy in the resources we sent. The number of people we sent over to this conference—was it really just a thank you or was it really people over there? It'll be interesting to see just how much of it they attended.

It goes to speak to having some control, because these costs come back to the public. We're looking now at GM and Chrysler both talking about moving car plants out into our neighbouring states. Those are big losses. Those are good-paying jobs, and we're talking by the thousands. They were very clear that the reason they're

moving down is the cost of doing business up here. It's not the cost of labour; it's the cost of doing business. You would think that with our dollar the way it is, down as low as 70 cents at one time in the last couple of months—but they're still thinking of moving. They stopped the Camaro in Oshawa. We see Toyota also jockeying around and discontinuing their highest-production cars. Their Corolla certainly is a huge success on this continent, and they're moving down to Mexico. They're taking one of their lower production cars to this area because of the cost of producing them. I think it's time that we wake up and see that.

One constituent in my riding came in with a hydro bill that talked about the increases. His hydro bill had gone up 50% over the last few years, which is an unusually high increase. Last March he received an additional bill for \$300,000 and was given, I believe, 15 months to pay. He started the 15-month plan with no explanation what the changes were. Last September, he got an additional bill for another \$400,000; again, he was not able to get any answer on why the increases. He finally got an account manager to look at it, and they came back in February with an extra \$27,000. It was almost \$730,000 on top of the 50% increase.

Those are the types of increases we're talking about, and that's not counting the last two increases we've seen here. Those are just differences in reading the smart meter. How you can read a smart meter four times and get different answers like that, and no explanation from the company—if that was a private industry, they would be out of business. I gave an example of a company that I knew of that had converted to a new accounting system. For six months, they were unable to issue a bill. Their answer was that they wrote the bills off for six months. That's the type of thing that private industry does. What Hydro One does is up the ante. It was only since the story broke the year before by the Ombudsman—they would have refused to discuss it. They would have been charging interest—and, of course, the threat of cutting the customer off. He's still negotiating the cost of that. How do you explain increases of that value?

Anyway, it's difficult to explain to somebody that that's just what we've done to our hydro system. Where there is low-hanging fruit that has a chance to really get some impacts here, we aren't grabbing them. We're going for the more expensive option, the one with lots of administration, a plan that's going to generate a lot of costs. Unfortunately, as I said, when you've got a limited amount of revenue possibilities here and you're choking them off and forcing them out of business, that amount of revenue potential actually goes down; it doesn't go up.

We've seen a lot of the communist countries trying to prove that you can generate the income yourself, but it just doesn't work. You have to be able to sell your product. You have to have quality. You have to be reasonable about the costs that go along with that, that allow you to be competitive. We're very much concerned about what's happening here. People in our riding have been burned over and over again by the cost of electricity and

the cost of everyday life. The carbon tax is driving up the cost of living in our province by \$900 without—if you're not part of the public service you're not getting raises, and that's a problem. You're doing more with less, and they've been announcing that for year after year. They're at wits' end.

Anyway, we are very concerned about what's going on here. We want the government to start looking at driving innovation in this province. Driving innovation will help our productivity and it will help our businesses actually be able to compete. We would like to see a simpler system that actually encourages people to use less carbon by taxing the carbon and returning that money back so that they can actually live a normal and somewhat productive life.

The Chair (Mr. Grant Crack): Further discussion on NDP motion number 82? There being none, I shall call for the vote on NDP motion number 82. I believe there is a request for a recorded vote.

Mr. Peter Tabuns: Sure.

Interjections.

The Chair (Mr. Grant Crack): Well, just for clarification, I was looking at Mr. Tabuns and he was going like this, so I figured he was asking for a recorded vote.

Mr. Peter Tabuns: That's fine. Keep going, Chair. Don't go back.

The Chair (Mr. Grant Crack): I shall call the vote.

Ayes

Tabuns.

Nays

Hoggarth, McMahon, Potts, Wong.

The Chair (Mr. Grant Crack): I declare NDP motion number 82 defeated.

There are no amendments to schedule 1. Therefore, I will ask: Is there any discussion on schedule 1? Mr. McDonell.

1500

Mr. Jim McDonell: Yes. As I said, we're very concerned about this whole bill. I know that, by voting against it, it doesn't do anything, but we'd rather see this whole bill deleted and started over with a plan that really goes back to the people. I think that we have a scheme here. We see, over and over again, different ministries that are conflicting in what direction they think the government should take.

They haven't gone back to the people to ask for the agreement to move ahead on a cap-and-trade scheme. I think that we see that it's prone to failure. It has failed in every other location where it has been tried. Really, it has failed because it's too complicated to put in place and not get the type of fraud that we saw in Europe.

Europe was a good example of industrialized economies that came together, really, for all the right reasons and tried something. But we saw billions of dollars

wasted as it went back to profiteering. We had £700 million—over a \$1 billion—and that's just one case.

I think it's very hard to put a system in place that really gets the assets right. We're talking about giving free assets and credits away and not having any tie to them, allowing people to fritter them away and resell them. Really, if you look at a business case where you need the credits to survive, I can't see a reason why you would then want to turn around and sell them off at a profit. They are given away for investment and that should encourage investment to lower carbon.

The whole plan is really about driving down the use by the everyday person, but that doesn't mean that you can do that by taxing carbon, but giving credits somewhere else in the form of income tax reduction and lowering the costs. We're sitting here with energy costs and electricity so high in this province. Something has got to be done to keep that under control.

Interruption.

Mr. Jim McDonell: We've got our member up giving a statement in the House, so everybody has dual purpose today.

But the former Liberal finance minister talks about—

Ms. Eleanor McMahon: Greg Sorbara.

Mr. Jim McDonell: Greg Sorbara sees this as a tax grab. He was very clear. Maybe he's familiar with the antics of many of these ministers. He sees it as nothing more than a tax grab. He's suggesting, through his comments, that this government should go back and put something in place that will not hurt our economy, because that's what this is going to do. It's going to hurt our economy. It's going to end up costing Ontarians a lot of jobs.

The agricultural industry, where I come from: We're not helping them. They can be a big partner in this. They've asked to be part of it and they've met with the government. They had discussions. I had a chance to meet with the OFA president right after the budget was delivered. He was very upset that they were not included in the possibility of getting offsets.

When you look at an industry that's over 20% of the issue, why are they not included in the plan for offsets through encouraging farmers? There's a cost to this. There's a cost of going in with equipment. There's a lot of GPS equipment that's required to make some of these offsets available to them. It's very expensive. I know that, twice in the last couple of years—my brother's combine is worth over a half a million dollars. You're looking at GPS planters. You're talking in the neighbourhood of more than \$100,000. If you're going to go out and make those investments, you've got to have some incentive.

It's nice to think, "I'm going to go out and help the province meet their goals on carbon reduction," but then they've got to be also part of that. You can't reward some industry and not others. Agriculture is one of your main industries where you can actually have some impact, and they've ignored that, saying that they'll look at it later on. But you've really got to wonder, have you got an inte-

grated plan that's going to work here, or is your plan solely about capturing money for general revenue, and you don't really care where it comes from?

Hydro One—we're forgoing \$750 million a year to gain as little as \$2 billion, as quoted by the Financial Accountability Officer. That's a problem. Unfortunately, if we get very far down the road here, this is a problem we can't—it can be reversed but it's a waste of resources. Those resources are scarce.

There are areas within the taxing system we talked about. I think there's probably all-party support on that. We'd be much more willing to move ahead on that, but again, we can't be doing it without our neighbours, our competitors to the south.

Nobody else in the world is moving ahead on a plan like this at this speed. We've asked for a justification of why this is going on; we just don't see it. The only explanation we see is the \$1.9 billion in the budget. They say they need this for infrastructure. I sat through the budget. Nowhere in that infrastructure plan—which is identical to what the infrastructure plan is today—did we have anything to do with selling off Hydro One, selling off assets from the LCBO, and certainly there was no talk anywhere about where we would be utilizing a cap-and-trade system. It's \$1.9 billion on a line item that is easily forgotten. It's unfortunate. I think it's something that would be interesting to put back to the people and just see where they would go with it.

We're talking about loss of jobs. I met with a couple of my health institutions last week, both talking about cuts in funding—two hospitals and a long-term-care home. They say that's despite being promised a 1% increase. They said that when dollars come down, there are substantial reductions. They give money on the one side and they remove from the other. It's getting to be a common trend. Unfortunately, the final budgets won't come out until December of this year. It's hard to plan a year's spending program when you find out, with three months left in the fiscal year, just what your actual budget is going to be. All they can do is cut back, estimating that they will be cut, and of course they are every year.

If you freeze a multi-billion-dollar or, say, a billion-dollar budget and you allow hydro increases to go up by 100%, and they've got labour costs going up, the only thing you do is cut service, and that's what we've seen.

Anyway, we're concerned about this and we'll be watching the effects of this bill on the public and holding this government to account.

The Chair (Mr. Grant Crack): Further discussion on schedule 1? There being none, I shall call for the vote on schedule 1. Shall schedule 1 carry? I declare schedule 1 carried.

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

We shall move to the title of the bill. There are no amendments. Any discussion on the title of the bill? I shall call for the vote—Mr. McDonell.

Mr. Jim McDonell: I'm concerned. I see this is An Act respecting greenhouse gas. I think there is a lot more to this bill than just the greenhouse—we talk about the cap-and-trade. I don't see that in there anywhere. I think it's misleading to the public. We see discussion in it—it's really about reducing carbon, carbon credits. Really, it doesn't do it a lot of justice. Maybe it could be called the “making life a lot more unaffordable in Ontario act,” as it raises the price of the average family's bill by \$900 a year.

1510

There's a lot to this. It's a very simple title. I think it's misrepresentative of just what's in this bill and the impact it'll have in Ontario. We've seen bills such as this—the Green Energy Act, not so many years ago, slipped through with the might of this Liberal government and the help of the NDP, in that case. Look at the impact. This one has the ability to make the Green Energy Act look like a benefit because this is going to impact everybody. It's going to only go up. We see the first cost at \$1.9 billion, with a year and a few months' impact on the budget of this year and next year. That has gone up since the last budget. I think when it first came out, they were looking at \$1.6 billion. Every time we look at the numbers here, all they do is increase what they're taking out of the economy and what they're taking out of people's pockets.

We have a lot of concerns about this, and we'd like to see this bill reshaped and turned back into just a price on carbon. The cap-and-trade system is dangerous. It hasn't worked around the world. The regulations that aren't included here—there are a lot to come out, and there's a lot we don't know about this bill. We certainly have no shortage of concerns over this.

The Chair (Mr. Grant Crack): Any further discussion on the title of the bill? There being none, I shall call for the vote. Shall the title of the bill carry? I declare the title of the bill carried.

Bill 172, as amended: Is there any discussion on Bill 172, as amended?

Mr. McDonell.

Mr. Jim McDonell: Just to make sure our critic is back, could we ask for a 20-minute recess?

The Chair (Mr. Grant Crack): A 20-minute recess is in order. I haven't asked for the vote at this particular time.

Mr. Jim McDonell: We could make it five, if you want. She'll be back soon.

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

Mr. Jim McDonell: Just give her a chance to get back. I know she wants to—

The Chair (Mr. Grant Crack): We shall take a five-minute break—

Interjections.

The Chair (Mr. Grant Crack): Is it still the committee's wish to take a five-minute break? Okay, there is a no.

Interjections.

The Chair (Mr. Grant Crack): Okay, there is still a request for a five-minute break. Is it the—

Mr. Arthur Potts: No. I heard a no.

Interjections.

The Chair (Mr. Grant Crack): Since we don't have consensus for a five-minute break, members of the official—

Interjections.

The Chair (Mr. Grant Crack): I hope everybody just takes a deep breath here. Now I'm speaking, so I'd really appreciate that I don't get interrupted as Chair when I speak. There has been a request for a five-minute break, on which I heard a no. We can continue to debate; however, members of the committee are entitled to up to a 20-minute break once I call for the vote. I just wanted to put that on the record.

Is there any further discussion on Bill 172, as amended? Ms. Thompson.

Ms. Lisa M. Thompson: Thank you very much. Let's keep at this, because we feel very strongly that Bill 172 has been rushed. This entire time we've spent in committee, we have witnessed the government correcting much of its legislation on the fly because the realities are, they rushed this bill. When we listened to deputations and we listened to stakeholders in our meetings, time and again we heard concerns and questions raised: Why is this government rushing it? This is going to be, fundamentally, one of the biggest tax burdens.

If you'll recall, almost a year ago now—and the member from the third party might have been there as well, when this cap-and-trade scheme was announced officially, recognizing the little sidebar there. Even though they had winter consultations in 2015 to see how people in Ontario wanted to combat climate change, and overwhelmingly, I heard time and again that people were preferring the concept of a carbon tax, the Minister of the Environment, when in Peru in the late fall of 2014, was caught on camera saying, “We're going ahead with the cap-and-trade scheme.” They talk about the waste of taxpayer dollars? The consultation that Ontarians actually were committed to and thought they were contributing to was nothing but a sham because it happened after the minister was already in South America saying that they're going forward with the cap-and-trade scheme.

There are so many reasons why we need to be skeptical of this government and so many reasons why we can't trust them. We tried to demonstrate, through our thoughtful motions, an opportunity to work with this government to fix a lot of things that had gone off the rails in regard to accountability and transparency. Again, I applaud the member from the third parties motion, the NDP's motion with regard to excluding the cost of advertising from expenditures that this government will pursue. We know how that worked out for them and how they employed those types of partisan tactics in the Whitby–Oshawa by-election. It actually fell flat on them, so hopefully they learned from that mistake with the dismal loss that they experienced.

With regard specifically to Bill 172, we heard during the winter of 2015 from Ontarians—and we agree with

them—that climate change is a serious issue that has to be addressed. It's very interesting. The loyal opposition: We're of the opinion that we need to have a revenue-neutral pricing plan, inasmuch as we're going to be fair to Ontario taxpayers and businesses alike. If they're going to shoulder the cost of all of these free allowances that we saw this government tweak their legislation to facilitate without any oversight, without any accountability, at least we should have an opportunity to stand up and protect those hard-earned tax dollars.

Again, we need to revisit the fact that the Financial Accountability Officer, during his own deputation on Bill 172, said that he is becoming increasingly alarmed at the lack of transparency that this government is throwing at us—the collective us, as Ontario taxpayers—as well as hiding behind cloaks of secrecy with regard to this particular bill because, under the realms of cabinet confidentiality, no one will be in a position to offer oversight and accountability as to how they manage it.

Another motion came forward earlier today with regard to outing this government on the multiple times that they used dollars—our own finance critic, Vic Fedeli, pointed out that the revenue generated from the sale of Hydro One is being used in a couple of different places: It's to pay down the debt, but it's going to go towards infrastructure. Well, you can't have it both ways. It's either one or the other. He's very astute, and I encourage anyone to pick up his Focus on Finance to drill down on that further.

Lastly—and I apologize; I was making a statement in support of Bruce Power's Break the Silence. A little commercial right now, a sidebar: For everyone who re-tweets #BreakTheSilence, Bruce Power, a wonderful corporate citizen that leads by example, will donate \$1, up to a limit of \$80,000, to support mental health initiatives in Bruce, Grey and Huron counties. So, again, don't be afraid to support a really good corporate citizen, Bruce Power, and use #BreakTheSilence.

With that, I'd like to go back and recognize that if people really want to understand and get to the heart of the matter, I would suggest that they revisit Greg Sorbara's comments.

1520

Greg Sorbara is the former finance minister for this Liberal government. In fact, I'm sure some members opposite even sat in the same caucus with him. Some of them are newer, so they wouldn't have had that opportunity, but Greg himself alluded to the fact and called it what it was: It's nothing but a “flow-through tax.” That reminds me of my point I was going to make earlier.

Just about a year ago now, the Premier, in introducing this cap-and-trade scheme, really tritely challenged the media with a toss of her hand and said, “Go ahead, call it a tax.” Well, Greg Sorbara has gone forward and drilled down on it a bit more and he's referred to Bill 172 and this particular Liberal cap-and-trade slush fund as nothing more than a flow-through tax that is going to increase the cost of everything in Ontario. He is saying that never before has Ontario faced an increase like the

cap-and-trade scheme is going to be introducing. So we should be very worried.

This government, time and again, voted down not only our motions but the motions from the NDP that were very thoughtful. If they had wanted to show any inkling of wanting to work to improve this legislation, as opposed to setting up a cloak of secrecy that will shroud people from seeing what they're really planning to do with this money, which we feel is going to go into the black hole of the Liberal coffers, probably to reward people who have hosted huge fundraisers for them—we are really concerned.

Again, the fact of the matter is, they voted down every one of our attempts to make this particular legislation more credible and accountable. It's a sad day for Ontario. The manner in which this Liberal government has rushed poorly drafted legislation in turn resulted in seeing this Liberal government fix this legislation on the fly with over 70 amendments, which is almost unheard of; it's unprecedented. They realized that they had made such a mess, they had to fix it up in committee. And now they've turned around and voted down every one of our thoughtful amendments. This is not a good sign for democracy in Ontario.

All I can say is, they're setting up an opportunity to choose winners and losers. The winners will be the Liberal friends. The losers will be the Ontario taxpayers. Sadly, I have to say to them, hold on to your wallets. It's going to be a very scary ride over the next couple of years.

The Chair (Mr. Grant Crack): Further discussion on Bill 172, as amended? Mr. McDonell.

Mr. Jim McDonell: I think if we go back over the time we've sat on this bill, we had delegations who were cut off; we had people who wanted to come and see this committee who could not. We ended up with about a third of the people who had applied who did not get a chance to speak.

We had an unprecedented case where the Financial Accountability Officer came before the committee to talk about his concerns and how he saw that there were parts of this bill that would be outside of his control, even though that was the intent of his position. We saw different amendments that would give him more power and they were all voted down by the government majority.

They talk about accountability, but of course, when you bring them to the wall where we allow somebody who would actually be able to enforce that, they ensured that that didn't happen. I see an article in the National Post today: “For a Great Return on Your Investment, Donate to the Ontario Liberal Party.” They talk about investments or donations by the teachers, by Ontario Tire Stewardship—the list goes on and on where people were donating money and received millions of dollars back in return. That's how bad it is. This is a national paper front page. This is what we're seeing from this government.

Ms. Ann Hogarth: You'd better know your facts.

Mr. Jim McDonell: It's the National Post.

Ms. Lisa M. Thompson: Google the National Post.
Interjections.

Mr. Jim McDonell: You can look at it today. There's a whole article on it. That's how much it's out there.

You wonder why we're skeptical about this bill? It creates a huge pot of money that now can be assigned at the whim of the government. So we're concerned. Past action predicts future action, and that's what this government has done over and over again.

We also saw about 70 revisions to the bill by the government. Does it make sense? A bill put forth, heralded as a showcase of legislation, and then we're hit with all these government amendments and they're pushed through. This is after the delegations, so after people had a chance to speak, we see all these changes.

I know we were criticized for trying to get information. Government lawyers were not allowed to comment on the changes. I'm not sure what the majority of the Liberal members here were worried they might say. I assume that they would tell us the truth, and that was certainly not something that the government wanted to have this committee hear.

I know our legislative lawyers can only talk about certain things, but they really can't get into what the idea of the policy was. That's not what their role is. But the groups that really put this together, knowing some of the possibilities of where they might go with legislation or regulation in the future—there's a lot of questions about this bill.

Again, as Greg Sorbara said, this has the potential of impacting this province more than any other piece of legislation we've seen. We have conflicting comments by ministers of the crown, different directions they're taking. I mean, the whole climate change legislation is a real fiasco. So we're concerned about it, and we hope that Ontario businesses can react to this legislation and can respond before the government is forced to actually cancel it. If it has the impact that they're talking about, the money dries up, business dries up; they'll have no choice. It will be a recession created by our own government. We've seen time and time again the businesses leaving, and this will just speed up the rate they're disappearing at.

I would like the members here to have a second look at this and really consider this bill before they put it through.

The Chair (Mr. Grant Crack): Further discussion on Bill 172, as amended? Ms. Thompson.

Ms. Lisa M. Thompson: Just to conclude, I think the timeliness of the National Post article that has come out today really emphasizes the concern and why Ontarians should be nervous. We can't stress it enough. This cap-and-trade scheme has been purposely set up by this Liberal government with a shroud of secrecy around it, and they're going to use this money to pick winners and losers.

It's interesting. In terms of an example of picking winners and losers, the National Post article says, and I'm reading directly from the article, "The foreign owners of the Beer Store, who have donated hundreds of thousands of dollars to the Ontario Liberals over the past

decade, continue to enjoy a near monopoly over beer sales in the province, even as the government promises to open the market through limited, highly restricted beer sales in a select number of grocery stores." So—

The Chair (Mr. Grant Crack): Ms. Thompson, I'm just going to caution you that we're talking about greenhouse gas, not the sale of beer. If you could confine your comments to that, it would be much appreciated.

Ms. Lisa M. Thompson: Okay. I appreciate that, Chair.

Mr. Jim McDonell: It's overwhelming when she talks about beer.

Ms. Lisa M. Thompson: No. It's just an example of how a winner has turned around and contributed to the Ontario Liberal Party. This slush fund is setting up to yet again award winners that contribute to the mindset and the go-along-to-get-along with this Ontario government, hoping for some opportunities to cash in on windfalls down the road.

1530

Ontarians cannot afford this type of activity any longer. It's time the government stops dabbling and gets real: sets targets to reduce greenhouse gas emissions; encourages innovation, efficiencies and conservation so that businesses can utilize, on their own, opportunities to reduce greenhouse gas emissions, like we've talked about earlier. Once and for all, let's put Ontario taxpayers ahead of personal party interest and really stand up and do the right thing.

You still have time to go back to your advisers and say, "You know what? There have been some very good points made today over the duration of debating clause-by-clause on Bill 172." I think we're on the right track here with the loyal opposition and partnering with the third party in some of the thoughtful amendments that we put forward.

Once and for all, it's time that this government takes heed and realizes that their gig is almost up. While they may try and push their cap-and-trade scheme forward under the shroud of secrecy, at the end of the day the taxpayers will have final say. If nothing else, that final say will come in 2018.

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

Mr. Jim McDonell: It's interesting, as we go through some of these stories that came out today. Ontario has an interesting energy industry. We have one utility in the province that does not buy power from hydro. The power is purchased from Quebec. They only raise their rates once a year. We see this year, again, they did not raise their price of power for Cornwall Electric—a 0% increase. That is not something we're seeing in the rest of the province. Being from South Glengarry, they serve part of my township. We saw this before numerous times over the last 10 years, but certainly at the beginning of the Green Energy Act, when the rates were going up everywhere, Cornwall Electric, time and time again, came in with a 0% increase.

This is part of Ontario. They have the same issues and the same problems as the rest of the province has. They

have the same labour laws. The union, I'm sure, is looked after by some of the other power companies in the province, and yet they're able to deliver a 0% increase because they buy from Quebec. They're not stuck with the Green Energy Act. They didn't get a savings from the debt retirement charge because they didn't have to pay it in the first place.

It just shows what the potential is. It's great for the city of Cornwall and parts of South Glengarry and South Dundas—

Mr. Mike Colle: Point of order.

The Chair (Mr. Grant Crack): Point of order, Mr. Colle.

Mr. Mike Colle: I'd like to call the vote.

Interjection.

The Chair (Mr. Grant Crack): Mr. Colle, I'm not quite sure that that's a point of order.

Mr. Mike Colle: I'm moving a motion to call the question.

The Chair (Mr. Grant Crack): First of all, you can't move a question on a point of order. There is a process to move forward with regard to moving closure and asking for the question to be put. I haven't heard that. At this particular time, that—

Mr. Mike Colle: That's what I'm calling: putting the question.

The Chair (Mr. Grant Crack): Okay. Mr. Colle, you had first requested a point of order.

Mr. Mike Colle: I was just trying to get the attention of the Chair to put the question. That's basically what I've done.

The Chair (Mr. Grant Crack): Okay. Ms. Hoggarth.

Ms. Ann Hoggarth: I make a motion that we put the question.

The Chair (Mr. Grant Crack): Mr. McDonell does have the floor, because there is discussion now on Bill 172. There is discussion ongoing in that regard. As far as closure goes, if that is to be asked for, I still believe there is room for more debate on this particular issue. So I'm going to turn to Mr. McDonell and have him wrap up.

Hopefully, confine your remarks to what we're dealing with, and this is Bill 172, as amended.

Mr. Jim McDonell: I am just highlighting a part of the province that is not subject to some of the regulation and what we could have enjoyed, in the rest of the province, under some of the savings. This is a case where we've seen three increases in the last year—substantial increases on all of Ontario. Here's the one utility that has nothing to do with Ontario; it's served out of Quebec. They're not dealing with a lack of supply where we've been encouraged not to purchase and we then find out we have to go back and actually have to increase our bills because of it.

We look at the huge number of changes in this bill—it has been amended. It's a bill that came before this House without any electoral support. It was a commitment by this government—just like we've seen other commitments—that was not followed through. The government committed that they would not put this through. Their

mandate was based on not producing a carbon tax, let alone a cap-and-trade system. Where they get the justification for this—to rush it through before our neighbours are actually moving ahead on their plans—is a deep concern of ours.

It's great for part of my riding—territory-wise, probably a quarter of it. The mismanagement that we've seen in the energy field—it's not good for the province of Ontario. That goes back to impact. Even in my riding, they buy products that are not purchased in Cornwall.

I think that we just have to look at this bill. We're really concerned about allowing them to move ahead with this. At home, over the weekend, people were telling me that we've got to do everything we can to stop this. Those are reasonable people, educated people, people in the agricultural field. I think that we've had the opportunity to see some of the changes. We've been warned by many people that came through—the depositions we saw. Many more that couldn't come through had some concerns. We'd like the majority government on the other side to consider some of these issues and see that, possibly, you might see a bit—at least delay until our competing nations and jurisdictions catch up.

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

Ms. Lisa M. Thompson: Just one, very short, final comment: Let's go back to where we started. It was interesting because I recall, when we were negotiating the length of deputations—not only in terms of the length of presentations but the number of days—that this government said, "Oh, nobody's going to be interested in this." While they allowed us an opportunity to give our deputants more than five minutes—they agreed to 10, which we appreciated very much—they had the audacity and gall to say, "Nobody's going to be interested in this." But, in the end, I believe there were 49 organizations and citizen groups that wanted to come forward to share deputations and what their thoughts were, specifically on Bill 172. While the government restricted the number of deputations to only 18, our comments and amendments, hopefully, have done the remaining number of organizations proud—upwards of 30—because we've tried to represent them the best we can in this committee with regard to their concerns on Bill 172.

The Chair (Mr. Grant Crack): Is there any further discussion on Bill 172, as amended? There being none, I shall call the vote on Bill 172, as amended.

Mr. Jim McDonell: Recorded vote.

The Chair (Mr. Grant Crack): There is a request for a recorded vote. I shall call the vote at this time.

Shall Bill 172, as amended, carry?

Ayes

Colle, Hoggarth, McMahan, Potts, Tabuns, Wong.

Nays

McDonell, Thompson.

The Chair (Mr. Grant Crack): I declare Bill 172, as amended, carried.

Interjections.

The Chair (Mr. Grant Crack): Order, please.

Shall I report the bill, as amended, to the House? Is there any discussion?

Shall I report the bill, as amended, to the House?

Those in favour? Any opposed?

I believe the yeas have it.

I shall then report the bill, as amended. So ordered.

We are done business on Bill 172. I want to thank all members of the committee for the great work that they've done, the members of Hansard, legislative counsel and the Clerk. Thank you.

This meeting is adjourned.

The committee adjourned at 1541.

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STANDING COMMITTEE ON GENERAL GOVERNMENT

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