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Assembly  
of Ontario



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**Official Report  
of Debates  
(Hansard)**

G-4

**Journal  
des débats  
(Hansard)**

G-4

**Standing Committee on  
General Government**

Cap and Trade  
Cancellation Act, 2018

1<sup>st</sup> Session  
42<sup>nd</sup> Parliament

Monday 22 October 2018

**Comité permanent des  
affaires gouvernementales**

Loi de 2018 annulant le  
programme  
de plafonnement et d'échange

1<sup>re</sup> session  
42<sup>e</sup> législature

Lundi 22 octobre 2018

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Chair: Dave Smith  
Clerk: William Short

Président : Dave Smith  
Greffière : Sylwia Przedziecki

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Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES**

Monday 22 October 2018

Lundi 22 octobre 2018

*The committee met at 0900 in committee room 2.*

**CAP AND TRADE  
CANCELLATION ACT, 2018**

**LOI DE 2018 ANNULANT LE PROGRAMME  
DE PLAFONNEMENT ET D'ÉCHANGE**

Consideration of the following bill:

Bill 4, An Act respecting the preparation of a climate change plan, providing for the wind down of the cap and trade program and repealing the Climate Change Mitigation and Low-carbon Economy Act, 2016 / Projet de loi 4, Loi concernant l'élaboration d'un plan sur le changement climatique, prévoyant la liquidation du programme de plafonnement et d'échange et abrogeant la Loi de 2016 sur l'atténuation du changement climatique et une économie sobre en carbone.

**The Chair (Mr. Dave Smith):** Good morning and welcome back. Today is the clause-by-clause portion of our jobs. It is clause-by-clause on Bill 4, An Act respecting the preparation of a climate change plan, providing for the wind down of the cap and trade program and repealing the Climate Change Mitigation and Low-carbon Economy Act, 2016.

Since there are a number of us—myself included—for whom this really is the first time that we've gone through clause-by-clause, please bear with us if we seem to be a little bit slow going through at the beginning. Sylwia will be helping me a fair bit on procedure.

There is one thing, though. If we could, I'm requesting that we have unanimous consent to stand down section 1 until after section 4. Section 1 is with respect to a definition, and if the parts in section 4 don't pass, then there's no need to have that definition. Could I have unanimous consent to stand down section 1? Agreed. Thank you.

Are there any general questions or comments that anyone has?

**Ms. Andrea Khanjin:** Mr. Chair, I just wanted to add that I'm really glad that last week we had those two days of committee witnesses. I think we heard a lot of good feedback. I just wanted to let you know that the government side was listening and that we're looking forward to this clause-by-clause process.

I'm really glad MPP Mike Schreiner could join us in this committee—your input is highly valued—and all the

members opposite. Thank you for participating, and I'm really glad that we went with this process. It has been a really enjoyable one.

**The Chair (Mr. Dave Smith):** Thank you very much.

Then we will start with section 2. Since there are no amendments, shall section 2 carry? Those in favour, please raise your hand.

**Ms. Andrea Khanjin:** I just wanted to debate some of the amendments here.

**The Chair (Mr. Dave Smith):** There are no amendments in section 2.

**Ms. Andrea Khanjin:** Okay, thank you.

**The Chair (Mr. Dave Smith):** Shall section 2 carry? Hearing no noes, section 2 will carry, then.

Section 3: We'll start with subsection 3(1) on page 2. Mr. Tabuns, you have the floor for debate and discussion.

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

I move that subsection 3(1) of the bill be struck out and the following substituted:

“Targets

“(1) The following targets are established for the reduction of greenhouse gas emissions in Ontario calculated for 1990:

“1. A reduction of 15 per cent by the end of 2020.

“2. A reduction of 37 per cent by the end of 2030.

“3. A reduction to net zero by the end of 2050.

“Same

“(1.1) For the purposes of paragraph 3 of subsection (1), a reduction of greenhouse gas emissions to net zero means that any remaining emissions would be balanced by removing greenhouse gases from the air.

“Targets, public hearings

“(1.2) The minister shall hold public hearings on the adequacy of the targets set out under subsection (1) to meet the climate protection goals set out in the Paris agreement to hold the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels.

“Modification of targets

“(1.3) If Ontario fails to meet a target set out under subsection (1), the minister shall, no later than May 31 in the second year following the end of that target period, introduce a bill in the assembly to increase the reduction of the next period by at least twice the amount by which the limit from the previous target was exceeded.

“Same

“(1.4) If, based on emerging science relating to climate change, it is determined that the targets adopted under subsection (1) are not consistent with meeting the climate protection goals referred to in subsection (1.3), the minister shall introduce a bill in the assembly that modifies the targets accordingly.”

Chair, if I may, I would like to speak to this.

**The Chair (Mr. Dave Smith):** Yes.

**Mr. Peter Tabuns:** Chair, if we’re actually going to put together a climate plan in Ontario, we need to have the Legislature set the targets. I put forward targets that reflect those that were in place previously in this province. The third target, a reduction to net zero by the end of 2050, is consistent with the most recent science put forward by the Intergovernmental Panel on Climate Change.

I have to say, Chair, that I am worried that the interim targets are not as deep as they need to be, but without actual public hearings, debate and assessment, for the moment, they’re a good stand-in. The “Targets, public hearings” note that we should be setting those targets in relationship to the Paris agreement. That’s not referenced in the government’s bill, and I think we need to know that that is the base document that we’re meeting from.

The “Modification of targets”: I am worried that the Liberals didn’t set in place adequate measures to reach the 2020 target. The suspension of their cap-and-trade bill and the cap-and-trade investments that has been brought in by your government, I think, almost certainly guarantees we won’t meet the 2020 targets. Given that, those reductions need to be made up, which is why I’m suggesting that if we don’t meet the targets, that they be made up for the next target period at an amount equivalent to twice what we missed. So if we have 10% reductions in 2020 instead of 15%, that’s a 5% failure. At the end of 2030, we need to be 10% deeper than we otherwise would have been.

I also want to note that climate change science is changing. The sense, globally, is that things are moving faster than had previously been assessed by the scientific community. It makes sense to me that the minister will continue to monitor what’s going on in the science and be prepared to bring back new targets as necessary to ensure that we protect ourselves and protect the people of Ontario.

Those are my arguments.

I just want to note that I’ll want a recorded vote on this and all other NDP amendments that come forward today.

**The Chair (Mr. Dave Smith):** Okay. Noted, then.

Is there any further discussion on this? Ms. Khanjin?

**Ms. Andrea Khanjin:** I just wanted to speak this amendment. As I was reading it, it does establish some reductions. It says a reduction of 15% by 2020, a reduction of 37% by 2030, and a reduction to net zero by 2050. As I understand, this was taken from former targets and a former report as the MPP mentioned just earlier.

**Mr. Peter Tabuns:** Ms. Khanjin, I apologize, but you’re a bit faint. Can you pull the microphone in closer?

**Ms. Andrea Khanjin:** Let me lean in a little bit. There we go.

**Mr. Peter Tabuns:** Ah, so much better.

**Ms. Andrea Khanjin:** Thank you.

So I was reading the amendment. It says a reduction of 15% by 2020, a reduction of 37% by the end of 2030, and a reduction to net zero by the end of 2050. It’s my understanding that these were taken from the previous plan.

Upon investigating this amendment, what it’s seeking to do is it’s requiring the government to publish climate change targets, so this is a conversation we’ve been having on the government side for quite some time.

My colleague opposite in this committee did just acknowledge the fact that we were not going to be getting to our 2020 targets, and that the former Liberal government did not establish adequate measures to get us to the 2020 targets.

There have been many reports that have come out since, including one, which members opposite have referenced, from the UN. The Minister of the Environment himself was on Focus Ontario this past weekend. The scope of that interview was talking about the potential of the upcoming climate change framework that he wants to establish, but you cannot establish a framework lightly. It does require input from all parties and input from all stakeholders, and cannot be taken lightly.

As you’ve mentioned, because the Liberal plan was not adequate—there weren’t adequate measures—a lot of that had to do with not enough people being spoken to or consulted. The breadth of what the minister is trying to do here is making sure that everyone is involved and that this is an open and a transparent process.

**0910**

I like that you did make those comments about how we didn’t have adequate targets put in place previously and that we do need to be nimble and adaptable as we get through these targets.

I think the best example of being able to adapt, as we see in the reports coming out, is not legislating those targets. It’s not an anomaly not to legislate the targets. Seven provinces do not legislate targets, and neither does the federal government, so I don’t think we would be an anomaly or an outsider on that.

Having said that, it’s important to have targets. That is why the current legislation before you does say that the minister will introduce targets; he doesn’t prescribe them, though. While I do understand the breadth of this amendment, I just think it’s unnecessary just because of what the minister has been talking about and how we’ve been pretty transparent about the fact that we want to introduce targets.

**The Chair (Mr. Dave Smith):** Mr. Tabuns?

**Mr. Peter Tabuns:** Yes. I appreciate the comments from the parliamentary assistant on this matter.

The targets I’ve set forward are the absolute minimum that we should have in place. It may be that the government is prepared to bring in more substantial targets; that’s something I would support. But I don’t see that one can be credible—and I don’t have confidence in the federal government, by the way; I don’t think they’re credible on

this matter. I don't think that we can be credible in Ontario without having targets.

What are we shooting for? What is it going to take to actually protect the people of this province and people globally from a real breakdown in our climate system?

I would say to the government that these are the minimum targets you should be working with. Don't be afraid to at least set minimums. If you want to improve them, we are very happy to work with you on that. But if you don't set minimums, you'll get the same sort of political football that we saw with the Liberals before this government was elected.

With that, I don't have a further argument. Others may, but I don't.

**The Chair (Mr. Dave Smith):** Mr. Schreiner.

**Mr. Mike Schreiner:** Yes, thank you, Chair. With all due respect to the member opposite, the Green Party put forward a similar amendment with similar minimum targets. I think we did have a number of witnesses who came before this committee, as well as the Environment Commissioner of Ontario—as you know, an independent officer of the Legislature—who have all suggested that having targets in legislation means that the targets carry more weight. While the federal government may not have targets in their legislation, I think it's actually more transparent with the people of Ontario to have targets established in legislation.

I think these particular targets are really based on the minimum that's required according to the science. So I'd have to concur with my fellow MPP, who has put forward this motion, on how important it is to have targets in legislation and how important it is to have minimum targets in the legislation.

I'm likewise happy to work with the members opposite to strengthen these targets if indeed that is the intent of the government. Certainly having stronger targets means that we're going to more aggressively address the crisis that we're confronting, but at the very least, having minimum targets is critically important. We've had a number of witnesses who have suggested that, Mr. Chair.

**The Chair (Mr. Dave Smith):** Ms. Khanjin?

**Ms. Andrea Khanjin:** Mr. Chair, if I could just address some of those comments: I would just add that the scope of the bill before us was to have a very responsible and transparent unwinding of the cap-and-trade program. We wanted to make sure from the government that we are sending that signal. Because the scope of the bill is to have an orderly wind-down of cap-and-trade, it does not mean that we do not take climate change seriously.

The Minister of Environment, Conservation and Parks has been, many times, standing up in the Legislature stating that he believes climate change is real and it is man-made. I think that's important to recognize. Because of his passion for the file and his hard work in making sure that everyone is invited to be consulted and part of this plan—because it affects all of us; it affects this generation, the next generation, all of us in this room and our kids and our grandkids—not to take it lightly.

That's why that signal was put into the cap-and-trade bill. Originally, it was just to do an orderly wind-down, but for a minister to say, "Let's put in a section that does say that we will make sure that the Minister of the Environment has targets," I think is a positive step. But to have them prescribed in legislation isn't something that has normally been done in other provinces or the federal government, and that's for a reason: so that we're able to have a proper consultation, and that's currently ongoing right now.

I don't think we should rush into the targets before proper consultation because we've seen previous governments that have done that, and it hasn't worked. Having said that, of course, we'll keep working with the breadth of the Paris climate change agreement and what we get from our partners at the federal government. I would just add that we shouldn't take it too hastily and we should consult all parties. We heard that from witnesses too: that sometimes when you rush into certain targets it's hard to achieve them. We want to make sure that we're not missing anything.

**The Chair (Mr. Dave Smith):** Ms. Bell, or Mr. Arthur?

**Mr. Ian Arthur:** Thank you very much. I would just say that I do not believe that any part of climate change should be based on what is currently normal for a government to pursue. I think that it is such a significant issue facing us that we need to move beyond normal. The steps taken by many governments have indeed been inadequate, and they have not met their commitments. I would also stress again that these are the minimum needed commitments to avoid significant global disaster, and the weight that should carry for this committee and for those who are drafting this legislation moving forward.

**The Chair (Mr. Dave Smith):** Mr. Glover.

**Mr. Chris Glover:** I would like to just echo those sentiments. I think, when we're making legislation—many of us are new here, and I think we all consider it an incredible honour to have these positions where we're actually making legislation. We need to think about what the impact of this legislation is going to be on the next generation and the generation after that.

This summer, we had one of the record-breaking worst forest-fire seasons in Ontario. We had a tornado that devastated a community in Ottawa. We had recently two hurricanes that hit the Carolinas and Florida. Those hurricanes are worsened by climate change because the temperature of the oceans is rising, and that means there's more water to churn up into those hurricanes. We've had forest fires in Greece. We had forest fires in the United Kingdom this summer—the first time that has ever been a problem for the United Kingdom.

When we talk about climate change, it is real. We're talking about minimum targets. We need to think about the legacy. The amount of climate disaster that is happening now is just the beginning of what's going to happen. It's going to get worse and worse.

I think future generations are going to judge us by the actions that we take or that we don't take. If we refuse even

to set minimum targets at this point, future generations are going to be very upset and angry as they deal with our inaction.

**The Chair (Mr. Dave Smith):** Because Ms. Bell had asked earlier and I missed her, I'm going to suggest that she's the one who gets to speak now. I've made a mistake; I apologize for that. When someone on one side makes a comment, I do need to offer a rebuttal on the other side, so I apologize for breaking that procedure. Ms. Bell.

**Ms. Jessica Bell:** I think why I am also in support of having hard, measurable targets is because we had the IPCC—their scientists, their experts, at the climate piece; we're not. We use all the evidence they've collected over the last decades to inform politicians around the world of what is needed. What they're asking for and what the Paris agreement is asking for is hard targets so we can meet that 1.5-degree maximum temperature increase. That's why I am supporting them.

**The Chair (Mr. Dave Smith):** Ms. Khanjin.

**Ms. Andrea Khanjin:** I'll just start out with MPP Glover's comments. I agree with you that climate change is real. I definitely am not disputing that. We've seen the impacts of Hurricane Michael, what's happening in the UK and in Greece, and the forest fires we've had this summer here locally. The Minister of Natural Resources and Forestry has taken a lot of action on that front as well in terms of helping those who have been affected.

We've seen our residents in Ottawa who have also been affected this summer too. The Premier had been out there, as well as many of our colleagues from the Ottawa region, talking to individuals.

0920

That's something that I feel that the minister has been talking about in terms of: What can we do in terms of the mitigation around some of these issues and the impacts of climate change and some of the weather impacts that are unexpected? I would say that it could also be a reason as to what's working and what's not. Because we've had these targets, and this summer alone we've seen all these impacts around the world and locally, it makes us question whether the previous plans were working and whether we do need to hone in on something that's more of a made-in-Ontario plan. I think that's what we're really looking at now, a plan where we can say, "What can we really do locally to act globally?" when it comes to climate change.

It is a serious matter. Every time we turn on the news and we see the families that have lost their homes and now they have a tarp over their previous roof—they're lucky, because at least it saves some of that infrastructure. But we want to get serious in terms of making sure that we are talking to all those individuals who are affected and making sure that we have a plan that really works, and that we're not making the previous mistakes that haven't been working or looking at the previous plans that haven't been working.

To MPP Bell's remarks and the IPCC and the scientists who have a lot of evidence and who have warned politicians all over the world in terms of the real effects, I'd say, "Yes, evidence-based decision-making." We have

the evidence; we have the scientists there. I would say that a lot of what we see in a lot of the scientists' evidence-based solutions is that it is a global approach, but sometimes it misses that local aspect. The Minister of the Environment recognized that and wants to make sure that he does have an advisory panel that does inform us on our local Ontario issues and how we can combat that.

I would say the government is not opposed to science or evidenced-based decisions, which is exactly why we have, even in the package of amendments that is before this committee—one of them is to have that advisory committee, an advisory panel, that works with the minister and works with stakeholders and all those involved and looks at the scientific data and the evidence-based information to see what we can do here in Ontario to combat climate change, and to really kind of push the envelope in terms of changes and initiatives.

**The Chair (Mr. Dave Smith):** Is there any other debate or comments?

**Mr. Peter Tabuns:** Ready for the vote, Chair. Recorded vote requested.

**The Chair (Mr. Dave Smith):** So, procedurally, this is where I would say, "Shall we vote on this?" Mr. Tabuns has already said that he'd like it to be a recorded vote, so it will be a recorded vote. But on our next subsection, I'll have to ask you to ask it again when we get to it.

**Mr. Peter Tabuns:** Oh, believe me, I will. I will give you advance notice, Chair, so that you're not surprised when I jump in later.

**The Chair (Mr. Dave Smith):** Not a problem, thank you. I'll pause before I ask, then, each time.

#### Ayes

Bell, Glover, Schreiner, Tabuns.

#### Nays

Coe, Hogarth, Khanjin, Kramp, Kusendova, Sandhu.

**The Chair (Mr. Dave Smith):** Seeing as the vote is 6 to 5, the amendment is lost.

On page 3, then, a new subsection, 2.1: Mr. Tabuns, would you like to speak?

**Mr. Peter Tabuns:** I move that section 3 of the bill be amended by adding the following subsection:

"Same

"(2.1) The government shall, when presenting the targets and any revisions to them to the public in accordance with subsection (2), provide,

"(a) the basis for the decision; and

"(b) an explanation of how the targets meet the terms and conditions of the climate protection goals set out in the Paris agreement."

I would like to speak to that.

**The Chair (Mr. Dave Smith):** Yes, please go ahead, Mr. Tabuns.

**Mr. Peter Tabuns:** Again, it's been very frustrating dealing with the previous Liberal government and the lack



of transparency in these matters. We're asking that, in this bill, in this process, there be an explanation of the basis for the decision and an actual demonstration of how the targets that are adopted will meet the terms and conditions of the climate agreement in Paris.

The parliamentary assistant said that there was a real commitment to be effective. We think that "effective" is meeting the terms of the Paris agreement, and that's a target of two degrees but actually going further: trying to achieve a 1.5 limit on the amount of climate change.

Given the government's interest in transparency and openness, I would think it would be not at all a problem for them to vote in favour of this. I'll give you notice now: I'd like a recorded vote.

**The Chair (Mr. Dave Smith):** Ms. Khanjin?

**Ms. Andrea Khanjin:** As I was reading this amendment, it says:

"The government shall, when presenting the targets and any revisions of them to the public in accordance with subsection (2), provide,

"(a) the basis for the decision; and

"(b) an explanation of how the targets meet the terms and conditions of the climate protection goals set out in the Paris agreement."

The Paris agreement, when I was going through this to amend section 3—I would say we have the targets that are established in the Paris agreement and I wouldn't say that the government—we will consider the objectives of the Paris agreement and Canada's national determination to develop targets. So it's not a massive opposition; it's just we need to consider all of the targets that are at hand.

I remember when the latest Paris agreement targets were set by Canada under the previous Conservative government and those were adopted again by the federal Liberal government. As you've mentioned, you said it was frustrating dealing with the previous Liberal government on transparency and process. I couldn't agree with you more. There was no transparency in the process.

This is why the Minister of the Environment, Conservation and Parks has gone out and wants to make a transparent process, so that there are consultations. I'd say that there's a public process under way right now where everyone can be engaged and making sure they do have input, which is a local and global phenomenon. I would say that we are not shying away from that transparency, which is why we are introducing that public consultation process, which the minister talked about last week and this weekend. There are many news releases to that effect.

We want an open and transparent process, but we don't want to get ahead of that consultation, that transparency. It's one of the reasons that we don't want to legislate the targets per se in this piece of legislation until those consultations take place; right? We need to understand all the input that is before us instead of prematurely putting them directly into the bill. As I mentioned, we will consider the objectives of the Paris agreement, but it's not something we would put into the bill at this current moment until we see the consultations that we have out

there as part of our transparent process, until we see the results of those consultations back.

**The Chair (Mr. Dave Smith):** Mr. Tabuns.

**Mr. Peter Tabuns:** I appreciate the comments that there's a desire for openness and transparency, which I thought actually would lead to the sentence then, "Of course we're adopting this amendment"—but unfortunately.

There are no other targets out there in the world; right? It's the Paris climate agreement that we've agreed to globally. Saying that you will come out when you set targets and show how they'll meet the Paris climate protection objectives is not a big debate, unless—and you can inform me. Does this government accept or reject the Paris targets to limit the rise in global temperature? If you don't accept them, we've got a whole other debate on our hands. But I'm assuming for the moment, not having heard to the contrary, that you accept the Paris climate protection targets and so it would be, of course, entirely consistent for you, when you bring out your targets, to show how your targets will meet the Paris climate commitments. If I'm wrong, please correct me, but if you're not assuming those as the base for your plan, what are you assuming?

**The Chair (Mr. Dave Smith):** Ms. Khanjin.

**Ms. Andrea Khanjin:** As I mentioned, we are obviously considering the objectives of the Paris agreement. It's not that they're not being considered, but it is part of this public transparent consultation process that we're going through. As I read the amendment at hand, it would be revising the different targets and obviously provide a public explanation as to why we would meet or not meet the established Paris agreement targets.

**0930**

I would just say to that, obviously we'd have to consider everything, and considering the objectives of the Paris agreement is very much part of that. I wouldn't say we are opposed. Everything has to be taken into consideration, but it's just very important that we do have this public forum to be able to have that discussion so that we're not taking our targets lightly.

**The Chair (Mr. Dave Smith):** Mr. Schreiner.

**Mr. Mike Schreiner:** I just wanted to thank my NDP colleagues for putting this amendment forward.

Targets need to have some basis in evidence and fact. There is some negotiation that just can't take place because the science drives the decision. The Paris targets was an evidence-based decision by countries around the world to establish really what is a bare minimum to avert disaster. So if Ontario is not going to, at a minimum, establish targets that achieve our international obligations under the Paris accord, then I think citizens of the province are going to be kind of disturbed that we are somehow establishing targets or maybe conducting consultations around establishing targets that (1) are not based in evidence and science and (2) not based in establishing our obligations under an international treaty.

While I certainly appreciate and respect the fact that the government is conducting consultations, I think we should consult widely with the public on how Ontario's climate

change plan should meet our international obligations. But to not base that plan on the foundation of our international obligations is highly disturbing, quite frankly.

I would assume, given the minister's comments, the parliamentary assistant's comments and even the Premier's comments that climate change is real and human activity is causing it, at the very least we would want our plan based on an accord that's been negotiated, that we have international obligations to achieve, and that is based in science.

I think it would be important to reassure the public—particularly as we go through this process, because what I'm hearing from my constituents in my office is that whether they support cap-and-trade or not, the nature of this bill has raised concerns that the government isn't taking climate change seriously and isn't going to address the climate crisis.

Having this in the legislation would reassure people that the plan that will be coming forward at some point will at least be based in achieving our international obligations.

**The Chair (Mr. Dave Smith):** Ms. Khanjin.

**Ms. Andrea Khanjin:** Just a few points by MPP Schreiner. Firstly, I just want to put it out there that we're not opposed to the Paris agreement. Some of the comments that have been coming back have alluded to that and that's certainly not the case. The federal government, has signed on to these targets and because the federal government has signed on to the targets, it's up to every province to do what they can to action that and work with the federal government in order to achieve that.

The federal government hasn't shown the same breadth of acknowledgement to work with the provinces, in the sense of—we should be focused on fighting climate change, not fighting one another and not taxing people and allowing them to feel good by allowing them just to pay extra money. It doesn't solve greenhouse gas emissions; it just makes people feel better about themselves by paying into a system that is not working.

That's a big portion of why this bill was introduced, and that is that we do take climate change seriously. We don't think we should allow big polluters to get away with it just by paying big money all the time. We have to do more than that. It's not just making big polluters pay; it's also about having established targets and making sure that everyone is consulted. We want to be out of systems that weren't working and going toward systems that do work.

You had mentioned that we do need to consult widely with the public. I'm so glad you said that, because this is true. You're absolutely right; we do need to consult widely with the public. As I mentioned, the minister was out last week and this weekend consulting the public and making sure we are widely getting everyone's input.

He even mentioned the website that we have launched, [Ontario.ca/climatechange](http://Ontario.ca/climatechange). It's a way for everyone to have input in terms of what they want the government to contribute in terms of a plan, how they want us to help achieve the Paris agreement or what kind of targets we should be setting.

It's a public call to say, "Look, we have the appetite to ensure that everyone has input." That was a public call for action, so that everyone has a say.

You had mentioned, MPP Schreiner, that we have to send a signal that we are serious about it. I would go back to my previous comments about evidence-based information and the science, as well as sending that signal that we are serious. In this bill that is before us today, it does mandate the minister to set targets. I think we should applaud the Minister of Environment, Conservation and Parks for making that move. But in addition to that, it says we do need to strike an advisory panel. What the advisory panel would do is, it would inform the minister, it would look at evidence-based decisions and information that is before us, with a local lens as well, so that we have that made-in-Ontario solution.

Don't get me wrong. In my riding of Barrie–Innisfil I had the opportunity to debate and sit with your deputy leader, Bonnie North—a wonderful person. She has a lot of good ideas, and I'm so glad that she's currently running for council in Barrie as well. These are things that I see locally too. I get it; it's an issue.

Even this weekend, I was with the Lake Simcoe conservation authority. We were doing a tree-planting event. There were a lot of people there who had suggestions, and they were thrilled that there is a platform for them to go to. They said, "What are you doing? Are there any plans? We hear you're unwinding cap-and-trade. Is there another plan?" I said, "Actually, yes, there is. Please go to [Ontario.ca/climatechange](http://Ontario.ca/climatechange)," just driving that message. I think a lot of us, as MPPs, just from a local perspective are able to drive some of these initiatives to raise public awareness of what people can do.

In the case of this event, there were a lot of parents and grandparents and kids there, and they were all partaking in it because they care. They want to do something. They always say, "We want to do something, but what can we do? We read these reports; we read the news; what can we tangibly do to reduce greenhouse gas emissions or contribute to an effective climate change plan?"

People came out in droves. We actually ran out of trees. We were busy planting mulch—but that's sort of a sidetrack. My point is, that there is an appetite out there to take action and do something, and we have launched that platform to do that.

**The Chair (Mr. Dave Smith):** Mr. Arthur.

**Mr. Ian Arthur:** I want to start by reiterating the point that Mr. Tabuns made: that the Paris agreements are the only set of internationally accepted targets outside of the US. Unfortunately, the US has strayed away from them, and I don't think that's company we want to keep. Individual states have agreed to continue meeting those international obligations, but for Ontario to stray away from that—again, they are minimum targets.

I'm also a little bit worried. Your language changed a little bit there. You said, "Whether we meet the Paris agreements or we come up with a local set." Then you said you wanted to look at this with a local lens. So already, sitting here, I am afraid that we are moving away from a

commitment to the Paris agreement and towards one that may suit this government and certain groups in Ontario but in no manner will fulfill our international obligations to the Paris agreement.

Lastly, I think that we don't have to reinvent the wheel here. These studies have been done. They have been done by incredibly smart people all over the world, from many, many different countries. Certainly we need to apply them in Ontario, the work that has been done, but the work has already been done by these people. Reinventing the wheel creates a grey area where we can actually not meet those agreements while we're doing these consultations. You're stretching out a period of time where we're actually not meeting those targets. If we do come back to meeting them, we're going to be further behind because of that time.

Introducing this legislation without those established targets is a bit like putting the cart before the horse or the diesel truck before the EV.

**The Chair (Mr. Dave Smith):** Ms. Khanjin.

**Ms. Andrea Khanjin:** Thank you, MPP Arthur, for your comments. I would just like to clarify how my comments were interpreted. What I mean is, targets are of no use unless there is action. My point was that when you go to local events, as I did this past weekend, there are a lot of individuals and citizens out there who want to take individual responsibility and individual action. My point was that targets are wonderful, but we cannot reach those targets unless we take action.

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The fact is that we have people all around our communities who want to help take those actions to improve our environment. So if we can be out there and advocating for that and letting our local residents and local constituents say what actions they can take in order to fight climate change, I think is a step in a positive direction.

I'm not saying that it's replacing the breadth of what the Paris agreement wants to do; it's certainly not. What I'm saying is, we can be more of an advocate in terms of helping people, letting them know what they can do in order to combat climate change. That's the only point I was getting at. It wasn't getting at that we're doing targets for a local municipality or something. We're certainly not speculating on that, but just letting my colleague here know that there's an appetite out there amongst private citizens to be able to act locally to take action, to be able to reach our—whether it's a Paris agreement, Canada's agreements, or whether it's Ontario's agreements or targets. That's simply what I was getting at: to show that there's that feeling out there.

**The Chair (Mr. Dave Smith):** Ms. Bell.

**Ms. Jessica Bell:** Thank you. I want to support some of Peter Tabuns's comments on this piece and recommend that you vote for this amendment, the first one being the transparency piece so we don't need to repeat the Liberal government's mistakes. We can create a bill that is more transparent so the public understands how we're reaching our targets, how that's going to happen. It seems like

something that is totally in line with what this government believes in.

The second piece is around this idea of targets. I can't imagine that the Ontario government is going to come up with a public consultation process that is as comprehensive or as evidence-based or is immersed in science as the Paris agreement. It's a 30-year process. It's a global body—120 countries participate in it. Their recommendations were consensus-based. It includes the world's best climate scientists reviewing peer-reviewed literature all around the world. It's not something that we need to replicate here because they've done the hard work for the global community to address a global climate problem so that we can look at how we're going to implement them. We have our targets; we have our goal. The real question is how.

When I hear talk about a website being the Ontario government's public consultation plan that is nowhere near as comprehensive as the 30 years of process that has been done to come up with these targets—that's why we have this amendment here. It has two reasonable pieces attached to it: transparency and globally accepted targets.

**The Chair (Mr. Dave Smith):** Ms. Khanjin.

**Ms. Andrea Khanjin:** I will just restate that we'll still consider, as part of the consultations, the 30 years of targets and the 120 countries that contributed to the Paris agreement. I would just say: Don't get me wrong in some of my comments from some of the information that I've heard first-hand from constituents in different parts of this province and some of my MPP colleagues. It would certainly inform and it will be considered as part of the consultations, but I think we should be a little more flexible in terms of allowing everyone to have a transparent public consultation. It's not just—you mentioned online, but I think a lot of us, as publicly elected officials, we can bring more awareness on issues that we are very passionate about.

Like I said, the minister is passionate about this issue. He did some media on it and he did a panel on it because he wants to let the public know that this forum exists. He's not hiding or shying away from it. He wants to ensure that there's public awareness about it and people know they can contribute. It's one of the reasons, when I went to events in my riding this weekend, I let people know who are passionate about such a topic that they have an avenue to contribute. That's something that all of us, as elected members, can do and advocate on.

I'd say we're still committed to targets, and consultations are on the way. There is obviously a clause in the bill before us that does mandate the minister to set targets.

**The Chair (Mr. Dave Smith):** Mr. Tabuns.

**Mr. Peter Tabuns:** I don't want to belabour this—and perhaps the parliamentary assistant can answer this fairly quickly. You've said that you're not opposed to the Paris targets. You've said that you would consider the Paris targets. The goals that are set out in Paris limiting the increase to 1.5 degrees centigrade have got to be the foundation for any climate plan. Are the Paris goals the foundation for your climate plan?

**The Chair (Mr. Dave Smith):** Ms. Khanjin.

**Ms. Andrea Khanjin:** That's a great question. I would say that for every single province that is putting forward their targets and their climate change initiatives, they obviously have to look at global targets as well. Ontario is not an anomaly; we're similar to many provinces that have created a climate change framework and plan. Ontario is no different.

We do want to set targets that we can achieve, that are informed by the Paris agreement, but seven provinces haven't legislated targets and the federal government itself, which signed on to the Paris agreement, hasn't legislated targets. So Ontario is no different in that sense. We still want to set targets. That's why the bill before us does legislate the promise of the fact that the minister will set targets.

**The Chair (Mr. Dave Smith):** Mr. Glover.

**Mr. Chris Glover:** There is confusion around the definition of terms. We're using a similar term in different ways. Mr. Tabuns asked whether the government was committed to transparency, and the response was that there's a transparent process going on, a public process. But, really, what the question is about is, is there—this amendment is asking that in the future legislation there be a rationale for the targets that are set. That's the type of transparency that we are asking for with this amendment.

The support of the government for this amendment would show that the government is committed that in the future legislation they will be transparent, that there will be a rationale for the targets.

Will the government support this amendment and the commitment to being transparent about the rationale for those targets?

**The Chair (Mr. Dave Smith):** Mr. Arthur.

**Mr. Ian Arthur:** No response?

**The Chair (Mr. Dave Smith):** She hadn't given me a nod before I said that. I'm sorry. Mr. Arthur.

**Mr. Ian Arthur:** Thank you very much. Sorry. I didn't want to speak out of turn there.

The comments about planting trees on the weekend—I question whether it's the role of this particular piece of legislation and the government to—to me that sounds like an outreach project and not a climate change plan. If that is what we are talking about and striving for at this table, then I think we need to aim higher. That's just a brief comment.

**The Chair (Mr. Dave Smith):** Ms. Khanjin.

**Ms. Andrea Khanjin:** Chair, I just want to be unequivocally clear that that's certainly not our climate change plan. That was just an example of how you can participate on a riding level in your constituency by empowering your local residents with events that they can do. It was simply a mere example, because I am also passionate about this topic. With all due respect, I didn't want to be demeaned for my comment. I was just really excited that we did that this weekend, and I used it as an example. It's not, in any way, to be an example of our climate change plan.

Thank you for letting me clarify that, Chair.

**The Chair (Mr. Dave Smith):** Mr. Tabuns.

**Mr. Peter Tabuns:** I'm ready for the vote and I'd like a recorded vote. I don't know if my colleagues are in the same mood—yes.

**The Chair (Mr. Dave Smith):** Is there any other discussion? Then we will vote on this as a recorded vote for the new subsection, 2.1.

#### Ayes

Bell, Glover, Schreiner, Tabuns.

#### Nays

Coe, Hogarth, Khanjin, Kramp, Kusendova, Sandhu.

**The Chair (Mr. Dave Smith):** That is defeated as well.

I'd like to correct my record for my statement on the first one. As Mr. Arthur is not a member of the committee, he wasn't able to vote. I had said that it was 6 to 5. It actually should have been 6 to 4.

On to section 3, on page 4: Mr. Schreiner, would you like introduce this, please?

**Mr. Mike Schreiner:** I move that section 3 of the bill be struck out and the following substituted:

“Targets

“3. Targets for the reduction of greenhouse gas emissions in Ontario are as follows:

“1. Ontario greenhouse gas emissions levels are to be 15 per cent below 1990 emissions levels by 2020.

“2. Ontario greenhouse gas emissions levels are to be 37 per cent below 1990 emissions levels by 2030.

“3. Ontario is to be carbon-neutral by 2050.”

May I speak to the motion?

**The Chair (Mr. Dave Smith):** Absolutely.

**Mr. Mike Schreiner:** So I think there are a few things that we should have on the record today. I know we've already voted on a similar motion, so we can probably assume how this one is going to go, but a couple of things.

#### 0950

One, the federal targets that the federal Liberal government has adopted that were based on the previous Harper government's targets actually do not meet Canada's obligations under the Paris climate accord. If I could refer to the federal leader of the Green Party, Elizabeth May, she has made this case over and over again, that those targets are not sufficient.

Secondly, I think there are two things that came out of the IPCC report a little over a week ago that caused some confusion and need to be on the record for the people of Ontario to understand. The report did not say, “If we do not act in 12 years, we're going to face climate catastrophe”; it said that if we don't act in the next year, in 12 years we're going to be facing climate catastrophe. If you look at the IPCC report, that report confirms what scientists have said previously: that if global emissions do not start dropping by 2020, we are going to unleash climate catastrophe.

What was frightening about the IPCC report that came out was that the date on which we're going to start facing that catastrophe is much sooner than we all expected. For years I've said, "I'm doing this for my kids' future." Well, actually, it's not only my kids' future; it is, like, all of our futures in this room. Literally, we are 12 years away from having—the events we've seen this summer, over \$1 billion worth of insurable damage in Ontario, not to mention the equivalent of uninsurable damage in Ontario caused by extreme weather events—that's just the tip of the iceberg.

I think it's absolutely critical that we make it very clear to the people of Ontario that this government is serious about meeting our obligations. We have to have the trajectory of emissions going down no later than 2020, we have to meet interim targets in 2030, and it's clear from the IPCC report that we have to be carbon neutral by 2050. This is a bare minimum.

I just want to reiterate that so many people have called my office, not only from my own riding, but ridings across the province. Their fear, quite frankly, is that because targets are not established in the legislation, Ontario's already inadequate targets are actually even going to be weakened further by the government. So if we don't even set the goal of averting catastrophe, then no matter how good the plan is—and I certainly respect, appreciate and support the comments by the parliamentary assistant—the targets are meaningless without action. Targets guide the action, so the actions that we take will be guided by the targets we set. That's why I think it's so critically important to have targets in the legislation.

**The Chair (Mr. Dave Smith):** Mr. Tabuns.

**Mr. Peter Tabuns:** I want to support my colleague. He made a very good argument. The Stephen Harper climate plan and goals were a complete dereliction of duty on the part of a national government, and the idea that the federal Liberals would adopt them is outrageous to me. We in Ontario should not be following Stephen Harper's position on climate change, which is, "The hotter, the better." We should be ignoring the Liberals and we should be setting our own course.

I really appreciate this motion put forward. It's much briefer than mine, but the heart of it is there. This is the direction we have to go in. This is the minimum that needs to be put in place.

**The Chair (Mr. Dave Smith):** Ms. Khanjin.

**Ms. Andrea Khanjin:** I would just address a few things from MPP Mike Schreiner. The \$1 billion in insurable damages—I read that report as well, in terms of where that figure came from, which is why you've seen that the minister has been speaking about it publicly, in terms of the importance of mitigation and resilience in our planning. You've spoken about it many times in your public forums, as I've followed. Your platform mentions it as well. So certainly, those are steps we can take in order to mitigate those damages, and those are actions we can take in order to achieve targets.

But in addition to that, I would say you've mentioned, and so did other members, the fact that we're not—there

are certain steps you have to take to get to 2020. The IPCC painted a picture as to what we need to do and what the consequences are if there is no action taken, but we've also had comments about how the federal Liberal government under Justin Trudeau adopted a previous government's targets without doing any consultations or inspection. I would say that we don't want to repeat the Justin Trudeau mistake on climate change targets. We want to make sure that we do consult before we set our own, without just adopting previous years. And so, because there's a lot more information, a lot of new evidence that could come out, in that spirit, I want to make sure that we have all that evidence and science-based information to make evidence-based decisions so that we're not stepping backwards; we're stepping forward.

**The Chair (Mr. Dave Smith):** Are we ready to vote, then?

**Mr. Chris Glover:** I thought there was a question.

**The Chair (Mr. Dave Smith):** Mr. Coe, then.

**Mr. Lorne Coe:** Chair, through you, I'd like to give you a motion to recess for 20 minutes, please.

**The Chair (Mr. Dave Smith):** If we're ready to vote, then the procedure is that any member can ask for a recess prior to the vote. If we're not ready to vote, then we would need consensus from the committee in order to have the recess now.

**Mr. Chris Glover:** I did have one further question, so I think we should deal with the recess.

**The Chair (Mr. Dave Smith):** Okay. Then all those who would like to have a recess for 20 minutes, please raise your hand. Do we agree to a recess, then? Yes. We were scheduled to be here until 10:15. The recess would take us past 10:15, because it is 9:56, so we will recess, then, until 2 o'clock.

*The committee recessed from 0956 to 1402.*

**The Chair (Mr. Dave Smith):** Okay, so we're back. I apologize; we're two minutes late.

Before we get into the next questions, is there anything that anyone would like to say? Mr. Schreiner.

**Mr. Mike Schreiner:** Thank you, Chair. I seek unanimous consent that if I have to leave the committee room when one of my amendments comes up for debate, we move that debate further down our schedule so I can be here to present my amendments. I'll need to leave to be part of the rotation on Bill 34.

*Interjections.*

**The Chair (Mr. Dave Smith):** Okay, then.

**Mr. Mike Schreiner:** Thank you.

**The Chair (Mr. Dave Smith):** We are going to pick up where we left off, then. Mr. Glover, you had some comments.

**Mr. Chris Glover:** Yes. It's a question, actually. We've had quite a bit of discussion about these being minimum targets as set in the Paris agreement. If we are to meet our obligations under the Paris agreement, these would be the minimum standards. We've heard from the government side about how they are not opposed to the Paris agreement; they're considering it. The question is,

does the government accept the minimum targets outlined in the Paris agreement?

**The Chair (Mr. Dave Smith):** Ms. Khanjin.

**Ms. Andrea Khanjin:** Chair, I believe that we debated this very tremendously this morning ad nauseam, so I have no further comments to add to my previous comments this morning.

**The Chair (Mr. Dave Smith):** Okay. Then are we ready to vote on this amendment?

**Mr. Mike Schreiner:** Can I request a recorded vote, please?

### Ayes

Glover, Schreiner, Tabuns.

### Nays

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** That would be lost.

Since there are no amendments, shall section 3 carry? All those in favour, please raise your hand. Those opposed? That would carry.

Section 4, page 5: This is an NDP amendment.

**Mr. Peter Tabuns:** I move that section 4 of the bill be struck out and the following substituted:

“Climate change plan

“4(1) The minister shall prepare a climate change plan and shall introduce the plan as a bill in the assembly.

“Same

“(1.2) The minister shall present a new plan every five years unless substantial changes in the science require a revision sooner.

“Same

“(1.3) The plan shall set out a carbon budget for the purpose of achieving the emission reduction targets set out in subsection 3(1) and shall include the following:

“1. A limit on the amount of greenhouse gas emissions, expressed in tonnes of carbon dioxide equivalent, in Ontario during the carbon budget period.

“2. Targets for emissions of each type of greenhouse gas, expressed in tonnes of carbon dioxide equivalent, in Ontario during the carbon budget period.

“3. Targets for greenhouse gas emissions, expressed in tonnes of carbon dioxide equivalent, from each sector of the economy in Ontario during the carbon budget period.

“4. Targets for the reduction of greenhouse gas emissions, expressed in tonnes of carbon dioxide equivalent, that is expected to result from the implementation of each of the government of Ontario’s greenhouse gas emission reduction programs during the carbon budget period.

“5. Estimated costs to the government of Ontario for the carrying out of its greenhouse gas emission reduction programs during the carbon budget period.”

If I may address this.

**The Chair (Mr. Dave Smith):** Yes, Mr. Tabuns.

**Mr. Peter Tabuns:** Before I speak, just to let you know: I’d like a recorded vote when we get to the end of this debate.

**The Chair (Mr. Dave Smith):** Thank you.

**Mr. Peter Tabuns:** Chair, this motion effectively takes a very slightly modified version of the British carbon budget bill that the governments of David Cameron and Theresa May are operating under in their climate action. It gives a framework for the minister to express his actions within. It provides for greater transparency and, very importantly, it brings the whole matter to the House for a debate.

The Liberals never did that with their climate plan. It was something that wasn’t debated in committee or in the chamber. Frankly, I think if you’re going to have an effective climate plan, you should have the whole matter put up for public debate—not just for informal input but for formal input here in this committee. I think this would assist the government in making a plan that is effective, transparent and understandable. And with that, I’ll leave it to other speakers.

**The Chair (Mr. Dave Smith):** Would anyone else like to speak to it? Okay, then, let’s vote on this amendment.

**Mr. Peter Tabuns:** I’d like a recorded vote.

**The Chair (Mr. Dave Smith):** This will be a recorded vote.

### Ayes

Glover, Schreiner, Tabuns.

### Nays

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** This amendment has been defeated.

Subsection 4(1), page 6: Mr. Schreiner, would you like to speak to this, please?

**Mr. Mike Schreiner:** I move that subsection 4(1) of the bill be struck out and the following substituted:

“(1) The minister, with the approval of the Lieutenant Governor in Council, shall prepare a climate change plan that meets targets that satisfy Ontario’s portion of Canada’s commitment to the Paris agreement and that prioritizes conservation and energy efficiency, supports investment in the clean economy and adequately addresses climate change adaptation, and may revise the climate change plan from time to time.

“Same

“(1.1) The minister may revise the climate change plan from time to time.

“Same

“(1.2) The minister shall table a climate change plan in the Legislative Assembly within 30 days after the day this act receives royal assent.”

**The Chair (Mr. Dave Smith):** Discussion?

**Mr. Mike Schreiner:** May I speak to it, please?

**The Chair (Mr. Dave Smith):** Mr. Schreiner.

**Mr. Mike Schreiner:** Thank you, Mr. Chair, and I'd like a recorded vote on this as well.

This addresses two primary concerns that my constituents have been putting forward to me, the primary one being: When will there be a climate change plan? I know my constituents are deeply concerned that we've dismantled what exists we don't have anything to replace it. The clock is ticking. As we talked about it earlier today, we need action now. We need to move the trajectory of carbon pollution down no later than 2020. This amendment provides assurances to my constituents and, I think, to people across Ontario, that within 30 days—if this bill would pass within 30 days—there would be a replacement plan in place that would be debated in the Legislature, and it would be consistent with the Paris climate accord.

**The Chair (Mr. Dave Smith):** Any further discussion? Mr. Tabuns.

1410

**Mr. Peter Tabuns:** I'd like to speak in favour of the amendment. Obviously I thought ours was more thorough, but the spirit and direction that is set out here is one that I think should be easy for the government to adopt, in particular his suggestion that there be a time limit on presentation of the climate plan. As the bill is written now, it's uncertain as to when that climate plan will come forward. Having sat through the previous government announcing that things would come forward and then waiting a long time, watching my hair go from dark black to mottled to salt and pepper and then finally to white, I realized that time can go very quickly and the government didn't want to actually introduce anything.

**The Chair (Mr. Dave Smith):** Is there any further discussion? All right.

**Mr. Mike Schreiner:** I would prefer a recorded vote, please.

**The Chair (Mr. Dave Smith):** Then we will vote on this.

#### Ayes

Glover, Schreiner, Tabuns.

#### Nays

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** That amendment has lost.

A new subsection, 1.4, on page 7: Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 4 of the bill be amended by adding the following subsection:

“Preparation of climate change plan

“(1.4) In preparation of the plan, the minister shall take into consideration,

“(a) the potential effects of not addressing climate change in Ontario, including economic and social effects;

“(b) scientific knowledge about climate change;

“(c) technology relevant to climate change;

“(d) economic circumstances, including the likely impact of the carbon budget with respect to,

“(i) the economy and the competitiveness of particular sectors of the economy, and

“(ii) economic opportunities arising from Ontario's transformation of the energy sector and adaptation to new climate circumstances;

“(e) fiscal circumstances, and in particular the likely impact of the carbon reduction on taxation, public spending and public borrowing;

“(f) social circumstances, and in particular the likely impact of the carbon budget on fuel poverty; and

“(g) energy policy, and in particular the likely impact of the carbon budget on energy supplies and the carbon and energy intensity of the economy.”

If I may speak, Chair?

**The Chair (Mr. Dave Smith):** Yes.

**Mr. Peter Tabuns:** Advance notice: I'd like a recorded vote on this.

Again, this is taken from the climate plan that is in place under Theresa May and was in place under David Cameron, so apparently it's consistent with fairly conservative political principles. I note particularly that in “preparation of climate change plan, (a)” the minister would take into consideration the potential effects of not addressing climate change in Ontario. Often, when we go through this debate, we hear one side of the cost-benefit equation, and that is, “What is it going to take to take action, or what's it is going to cost to take action on climate change?”, and the numbers are large. The other side of the equation, “What is it going to cost if we don't take action on climate change?”, is rarely, if ever, referenced, but, in fact, the numbers are huge. This would require the government to look at both sides of the cost-benefit equation when it is doing its plan, and hopefully making sure that their assessment is made public.

**The Chair (Mr. Dave Smith):** Is there any further debate? Mr. Schreiner.

**Mr. Mike Schreiner:** I want to speak to that portion of this particular amendment and how critically important it is for people in Ontario to understand the cost of climate change. I know that the Environmental Commissioner of Ontario last week on CBC Radio mentioned that in the first six months of this year alone, climate change has cost every Ontarian \$350, so already the cost of climate change is higher than the supposed \$265 in savings by eliminating climate action. Those costs are only going to go up. I think the people of Ontario have a right to know what those costs are so that we can make an informed, evidence-based decision about what's the most appropriate way to move forward and take action.

**The Chair (Mr. Dave Smith):** Any other debate? Mr. Glover.

**Mr. Chris Glover:** I'd like to echo the sentiments of the previous two speakers. I'd also like to talk about the impact on the green technology sector. Green tech is the up-and-coming transformative economic sector, and the question is: Are we going to have a piece of that pie?

In the House last week in some of the debates, I heard people saying that solar panels are too expensive and we shouldn't be investing in them at this point. The question for us, as a Legislature, as Ontarians, is not: Should we be consumers of solar panels and at what time should we be consumers of solar panels? The world is going to have to go through an economic transformation to a carbon-neutral, green tech economy. The question is: Are we going to have a piece of that pie? Are we going to be leaders? Are we going to be developing the R&D and have those R&D jobs here? Are we going to be manufacturing the new green technology, or are we just going to be consumers of products that are developed and produced somewhere else? That's really the question, and I think this amendment actually gets to that. It asks for us to look at the cost of not acting now, of not creating and nurturing the green technology sector in our economy. I would urge the government side to support this amendment.

**The Chair (Mr. Dave Smith):** Any further debate? Ms. Khanjin.

**Ms. Andrea Khanjin:** I'll just add a quick comment. In part of our platform was a commitment to invest in technology to help combat climate change, so that's still a commitment outside of this particular legislation, which is for the wind-down of cap-and-trade.

**Mr. Peter Tabuns:** No trouble with this amendment, then? That's good news.

**The Chair (Mr. Dave Smith):** Any further comments or debate? Okay, then we will pose the question.

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

**The Chair (Mr. Dave Smith):** Mr. Tabuns has asked for a recorded vote.

#### Ayes

Glover, Schreiner, Tabuns.

#### Nays

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** That amendment did not pass.

Page 8, new subsection (1.5): Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 4 of the bill be amended by adding the following subsection:

“Vulnerable communities

“(1.5) The minister shall ensure that the climate change plan provides enhanced support for low-income, rural, northern and Indigenous communities, which are more vulnerable to climate change.”

If I may, Chair: I tried to get a similar amendment put through with the Liberals on their cap-and-trade bill. I couldn't get their support, so I'm hoping the new government will steer a different course from the one the Liberals took and actually adopt this amendment, which I think would enhance the quality and utility of any climate plan that they bring forward.

**The Chair (Mr. Dave Smith):** Any further comments or debate? Seeing none, then we will ask the question.

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

#### Ayes

Glover, Schreiner, Tabuns.

#### Nays

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** I declare that amendment lost as well.

Page 9, new subsections (1.6) and (1.7): Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 4 of the bill be amended by adding the following subsections:

“Adaptation to climate change

“(1.6) The minister shall establish a program for Ontario's adaptation to climate change as part of the plan.

“Same

“(1.7) The program shall contain the following:

“1. The objectives of the program, which shall include the following:

“i. The protection of life.

“ii. The protection of property.

“iii. The protection of biological diversity.

“iv. Providing assistance to individuals affected by Ontario's reduced reliance on fossil fuels, including individuals whose employment is affected.

“v. Providing assistance to individuals, communities and businesses negatively affected by climate change.

“2. The government of Ontario's proposals and policies for meeting the objectives of the program.

“3. The time frame for introducing the proposals and policies.

“4. The estimated costs of the proposals and policies.

“5. An explanation of how the program would address the risks for Ontario of the current and predicted impacts of climate change.”

**The Chair (Mr. Dave Smith):** Debate, Mr. Tabuns?

**Mr. Peter Tabuns:** Again, I'd ask that this be carried on a recorded vote—or, well, of course I'd like it to be carried; I'd like it to be a recorded vote when the vote takes place. My optimism is unbounded, sir.

I would suggest that this would be useful to the minister and to the government, noting that the previous government had a climate change adaptation study done around 2008-09, which they partially incorporated in their Climate Ready program in 2010. I will say to you that Ministers of Energy, in the time that I was energy critic, never once talked substantially about any adaptation plan for the energy system. When power was knocked out in Toronto in December 2013, which no one should be surprised by, the government treated this as an act of God and not as an act of a changing climate, just as when power in the west end of Toronto was knocked out in August 2013 when a hydro substation that was built many storeys



underground flooded up to ground level—something that hadn't happened previously.

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We are going to see increasing disruption of our electricity system and other systems. We need a program that's carried through—not just another bunch of decorative filler—in which the government systematically looks at the threats, addresses those threats and comes forward with a plan with timetables so that people actually are protected, so that the economy actually is protected and so that property actually is protected.

I'd suggest that for you, the government, this is not a bad way to organize the approach. Again, it's taken from a program supported by David Cameron, a Conservative Prime Minister, and Theresa May, a Conservative Prime Minister, who at least seem to understand that they need an approach like this in their national policy.

**The Chair (Mr. Dave Smith):** Any further debate?

**Ms. Andrea Khanjin:** I'm glad you made those comments. I will just read a quick line from the minister's news release he put out last week. It says, "Later this fall, Ontario will release a plan that will identify specific areas of focus to help us tackle and be more resilient to climate change." So your appetite for resiliency in a climate change framework is loud and clear. It is outside the unwinding of the cap-and-trade program. It doesn't mean it's not something that we're looking at; just not in the scope of this bill. But thank you for those comments.

**The Chair (Mr. Dave Smith):** Mr. Schreiner.

**Mr. Mike Schreiner:** I think this is a very appropriate amendment to prepare Ontarians to adapt to a changing climate. I particularly want to highlight for the government that exploration is the estimated cost of proposals and policies, because I think people aren't fully aware of how much climate change is already costing us. The Environmental Commissioner's office is certainly putting that work together: \$350 a person in the first six months of this year.

Looking forward, I think for us to be fiscally responsible, we have to start estimating these costs, start budgeting for these costs and start preparing for these costs ahead of time. I do hope that when the minister puts together his adaptation plan, there are projected, forward-looking costs associated with that plan.

**The Chair (Mr. Dave Smith):** Mr. Tabuns.

**Mr. Peter Tabuns:** The parliamentary assistant alluded to the fact that this is a cap-and-trade wind-down bill, but there is a section here called "Targets, Plan and Progress Reports" related to climate plans. You've said that you want to have a climate plan; I'm suggesting that part of a climate plan is how we protect people as the climate starts changing in a very substantial way.

I've listened to many Conservative members speaking in the House and outside of the House, focused less on mitigation and more on adaptation. If you're focused on adaptation, you're going to need a framework for doing that. My suggestion is, I've provided you with a framework that is acceptable to Conservative governments and a fairly Conservative government.

**The Chair (Mr. Dave Smith):** Any further discussion? Then we will vote on this.

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

**Ayes**

Glover, Schreiner, Tabuns.

**Nays**

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** That amendment has lost.

Subsection 4(2), page 10: Mr. Tabuns.

**Mr. Peter Tabuns:** I move that subsection 4(2) of the bill be amended by adding "and shall consult with the Environmental Commissioner for advice in these matters" at the end.

Chair, if I may: I think it's a good idea for the minister to be setting up and talking to advisory panels. But the Environmental Commissioner, whoever that may be at any one time, is deeply focused on climate policy in Ontario, is in touch with a broad sector of wider society and is someone who should be consulted with in these matters. It's irrelevant as to who the individual incumbent is.

**The Chair (Mr. Dave Smith):** Any further debate? Ms. Khanjin.

**Ms. Andrea Khanjin:** While the breadth of the amendment is admirable, the bill is not about amending the specific part. This bill has nothing to do with the EBR process, so just the scope of it wouldn't really fit the bill. I just wanted to make that comment.

**The Chair (Mr. Dave Smith):** Any other comments for discussion? Then we will vote on this.

**Mr. Peter Tabuns:** Recorded.

**Ayes**

Glover, Schreiner, Tabuns.

**Nays**

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** This amendment has lost.

Page 11, subsection 4(2): Ms. Khanjin.

**Ms. Andrea Khanjin:** I move that subsection 4(2) of the bill be struck out and the following substituted:

"Advisory panel

"(2) The minister may, for the purpose of taking any steps with respect to the climate change plan, appoint panels to perform such advisory functions as the minister considers advisable."

**The Chair (Mr. Dave Smith):** Discussion, Ms. Khanjin?

**Ms. Andrea Khanjin:** I just wanted to put in this amendment as we've heard from a few witnesses as well

that spoke to being part of an advisory panel or an advisory committee to make sure that we do take the steps necessary to come up with a plan for climate change. Obviously, we have examples from numerous witnesses. As we're preparing the plan for climate change, in addition to all the consultations that are being undertaken at the present moment, this will inform that process as well.

**The Chair (Mr. Dave Smith):** Any further discussion? Then we will ask the question. Those in favour—

**Ms. Andrea Khanjin:** I just want a recorded vote as well.

### Ayes

Coe, Glover, Hogarth, Khanjin, Kramp, Phillips, Sandhu, Schreiner, Tabuns.

**The Chair (Mr. Dave Smith):** That amendment carries.

Since there are no further amendments to section 4, shall section 4 carry, as amended?

**Mr. Chris Glover:** Am I reading this wrong? Isn't it section 4.1?

**The Chair (Mr. Dave Smith):** Section 4.1 is a new section. It will be dealt with as a new section.

**Mr. Chris Glover:** It's a new section; I'm still figuring it out.

**The Chair (Mr. Dave Smith):** Those in favour, please raise your hand. Those opposed? Section 4 carries, as amended.

Since we have gone through section 4, we'll go back to section 1 now. We had unanimous consent to deal with it after section 4.

Subsection 1(1): Mr. Tabuns, do you want to speak to it?

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

“Paris agreement” means the agreement reached on December 12, 2015, by the United Nations Framework Convention on Climate Change that entered into force on November 4, 2016.”

Again, I think that any bill that's going to be credible needs to have Paris as its foundation. I think it should be part of the interpretation of this act, even though so far it has not made it into the other clauses—although I live with hope, Chair; I live with hope.

**The Chair (Mr. Dave Smith):** Any further discussion?

**Mr. Peter Tabuns:** Just before we go to a recorded vote, I am surprised that the government would not support having the Paris agreement in its definitions. I think people may take that as an indication of the lack of seriousness with which the government sees that agreement that was reached on a global basis.

With that, I am happy to go to a recorded vote.

**The Chair (Mr. Dave Smith):** If there is no further discussion, then we will have a vote.

### Ayes

Glover, Schreiner, Tabuns.

### Nays

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** That amendment is lost. Shall section 1 carry, then? Those in favour, please raise your hand. Those opposed? It carries.

Now we go to the new section 4.1, on page 12.

**Mr. Mike Schreiner:** Are you ready for me now?

**The Chair (Mr. Dave Smith):** Mr. Schreiner.

**Mr. Mike Schreiner:** Thank you, Mr. Chair.

I move that section 4.1 be added to the bill:

“Carbon fee and dividend

“4.1(1) The minister shall establish and implement a carbon fee and dividend program to ensure that any revenues collected under the Greenhouse Gas Pollution Pricing Act (Canada) be returned directly to Ontario residents 18 years of age or older in the form of a quarterly dividend cheque.

“Appropriation required

“(2) No payment shall be made out of the Consolidated Revenue Fund for the purposes of subsection (1) unless the Legislative Assembly by appropriation authorizes the payment.”

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Can I speak to the amendment?

**The Chair (Mr. Dave Smith):** Yes. Debate or comments?

**Mr. Mike Schreiner:** Thank you, Mr. Chair. I will be asking for a recorded vote.

I've added this as a protection for the people of Ontario, to make sure, when the federal backstop comes in, that we control our own destiny in terms of how those appropriations are returned to the people of Ontario.

We had expert witnesses here. The Financial Accountability Officer has shown in his report that returning revenue to the people of Ontario will mean that over 80% of Ontarians will have more money in their pocket due to carbon pricing than less money in their pocket. We had a former policy adviser to Prime Minister Stephen Harper come to this committee and share their particular study, which the Clean Prosperity group put together, that showed that low-income people, our most vulnerable citizens in particular, could actually be protected. They'll come out the most ahead and be protected if we offer dividends to people. That helps our most vulnerable people with lower, modest and middle incomes manage the transition to a low-carbon economy.

We learned that by cancelling cap-and-trade, the government proposes saving, on average, \$265 for people. We learned that lower-income people will actually come out with \$295 in their pocket, and low-income families, \$412 in their pocket, if we take the federal backstop and return it to people.

I think this amendment satisfies the objective of using a market mechanism to put a price on pollution so we have the proper market signals to help move to a low-carbon economy and to mitigate the worst risks associated with climate change, while at the same time protecting the people of Ontario, ensuring that revenue is returned to them to help them manage the transition to a low-carbon economy, and in particular manage rising energy costs.

**The Chair (Mr. Dave Smith):** Any further debate? Ms. Khanjin.

**Ms. Andrea Khanjin:** With all due respect to the member opposite, I would just say that this amendment specifically is much too close to a carbon tax, which we vehemently oppose and we've joined another province, Saskatchewan, in opposing it.

Our rationale is that we want to, like yourself—you said you want to protect the people of Ontario. We also want to protect the people of Ontario but their pocketbooks as well. They want to control their destiny in order to be able to manage those things and not punish middle-class families by paying at the pumps. We would be opposed to this particular amendment for those reasons. We have a plan for combatting climate change, but it won't be at the expense of hard-working Ontarians.

**The Chair (Mr. Dave Smith):** Mr. Tabuns.

**Mr. Peter Tabuns:** I have to say that this is very different from the position that we have taken historically. We see market mechanisms as being a sideshow: perhaps helpful, but not central to any climate plan that's actually going to make a difference.

That said, the federal government is going ahead with their plan. The reality is that people will be paying more in future than they would have paid if we'd stayed with cap-and-trade. I think that the member from Guelph makes a good point when he says that this would actually result in higher returns to low-income households. In fact, there would be some income redistribution that could well be positive in terms of dealing with poverty in this province. Notwithstanding that we would have approached it differently, I think it's worth supporting it here.

I will note that we did try to amend the Liberals' cap-and-trade bill to allow us to pay out to low-income, rural and northern households a cash rebate because we recognized that they were in a more vulnerable position, but maintain the bulk of the money for climate change investment or climate adaptation investment. We think that those funds will be needed for those investments, and fairly quickly. But those aren't the circumstances that we're in.

I would just note that the Liberals didn't support our change to help low-income, rural and northern people in the past, and I don't remember the Conservatives helping us on this either, so it's interesting that we have this motion before us. With the caveats that I've outlined, we will be voting in favour.

**The Chair (Mr. Dave Smith):** Any further debate? Mr. Glover.

**Mr. Chris Glover:** I would just like to add to the debate that there's already a market mechanism in place. The cost

of emitting carbon into the atmosphere is something we're paying now, and the Environmental Commissioner mentioned that it's \$350 per Ontarian for the first six months. That price is going to continue to go up, so we are currently subsidizing the emission of carbon into the atmosphere, and our children and our grandchildren are going to pay even more, at a much steeper rate, as the environmental damage comes to fruition.

I would suggest that if we really want to—this is not a carbon tax; this is just a full financial accounting of the cost of emitting carbon into the atmosphere, and that's the direction we need to go. We need to stop subsidizing the emission of carbon into the atmosphere so that our children and our grandchildren don't pay for the actions that we are taking now and don't have to subsidize our actions. So I would ask the government to consider supporting this amendment.

**The Chair (Mr. Dave Smith):** Further debate? Mr. Schreiner.

**Mr. Mike Schreiner:** Just for the record, if the objective is to protect the hard-working people of Ontario, this amendment actually addresses that. We know the federal backstop will cost more than the cap-and-trade program costs, and this essentially says that we want to return that money to people. It will actually return more money to people than the elimination of the cap-and-trade program will, so I would argue that this amendment is specifically designed to help and benefit the hard-working people of Ontario and will put more money particularly in low-income Ontarians' pockets than the government's plan.

**The Chair (Mr. Dave Smith):** Any further comments or debate? Then we will vote on this.

**Mr. Mike Schreiner:** A recorded vote, please.

#### Ayes

Glover, Schreiner, Tabuns.

#### Nays

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** This amendment is lost. Section 5, subsection (1), on page 13: Mr. Tabuns?

**Mr. Peter Tabuns:** I move that subsection 5(1) of the bill be amended by striking out "on a regular basis" and substituting "on an annual basis".

Chair, "regular" can happen once a century, once a decade or once every five years. I think it would be better if this government and future governments had to report on an annual basis.

**The Chair (Mr. Dave Smith):** Any further comments? Seeing none—

**Mr. Peter Tabuns:** And a recorded vote, please.

#### Ayes

Glover, Schreiner, Tabuns.

### Nays

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** The amendment is lost. Shall section 5 carry? Those in favour, please raise your hand. Those opposed, please raise your hand. It carries.

Section 6, page 14, paragraph 2, subsection (2): Mr. Schreiner.

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

“2. If the number of eligible instruments of the participant is less than the aggregate amount of all greenhouse gas emissions attributed to the participant in respect of the prescribed time period,

“i. the participant shall acquire, from a pool of instruments assembled by the minister, additional eligible instruments equal to the difference between the quantity of greenhouse gas emissions attributed to the participant and the number of eligible instruments retired by the participant, and

“ii. all of the eligible instruments shall be retired.”

May I speak to the amendment?

**The Chair (Mr. Dave Smith):** Yes.

**Mr. Mike Schreiner:** I brought this amendment forward after listening to two of the witnesses come forward with two primary objectives, one being fairness, and I'll explain that in a second, and the other looking at how we protect the province from potential litigation. I know that has been debated a lot. I'm deeply concerned that some of the provisions of this bill, even though the government is trying to protect itself from legal liability, will subject the province to legal action and could be of significant cost to the citizens and their taxes. I asked one of the lawyers who presented, Elisabeth DeMarco, to try to help me come up with a mechanism that would help protect against that.

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I also spoke to one of the market participants, particularly from the manufacturers' association, who talked about how they purchased, in good faith, allowances that would help them deal with future emissions. Contrary to what some people have called them, suggesting those folks are speculators, this gentleman was very clear in his testimony and, subsequently, in meetings that I had with him that he's not a speculator; he's just a business person trying to do his job and trying to do it in a way that protected his business's bottom line under the rules of the game that the previous government put forward.

One of the concerns I've always had about cap-and-trade is these kinds of complications that exist for market participants. So this amendment is really designed to ensure that mandatory market participants that did not purchase enough allowances to cover their emissions do not get a windfall profit, which potentially could happen under the current legislation, and, at the same time, that those who diligently purchased emissions allowances are not penalized for doing the right thing, such as the one

witness we heard from and others who have contacted my office.

I think this addresses an issue of fairness, and it's also designed to help protect the province from litigation.

**The Chair (Mr. Dave Smith):** Any further debate? Seeing none—oh, sorry. Ms. Khanjin?

**Ms. Andrea Khanjin:** I just want to add quickly that we also care about fairness as the government, and we would hope that you would support our amendment, as it's very similar to the comments that you had and similar to the concerns that you had and those of the people you've spoken to.

**The Chair (Mr. Dave Smith):** Any further debate?

**Mr. Mike Schreiner:** Can I request a recorded vote?

### Ayes

Glover, Schreiner, Tabuns.

### Nays

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** That amendment is lost. Shall section 6 carry? All those in favour? All those opposed? It carries.

Section 7: Seeing no amendments, shall section 7 carry? All those in favour? All those opposed? It carries.

Section 8, subsections (1), (2) and (3), on page 15.

**Hon. Rod Phillips:** Mr. Speaker—

**The Chair (Mr. Dave Smith):** Mr. Phillips.

**Hon. Rod Phillips:** Mr. Chair, sorry.

I move that subsections 8(1), (2) and (3) of the bill be struck out and the following substituted:

“Compensation to participant

“8(1) The crown shall pay compensation, out of money appropriated under section 11 or money otherwise appropriated for such purposes by the Legislature, to a participant in accordance with this section and the regulations.

“Emissions to be expressed as equivalent number of cap and trade instruments

“(2) For the purposes of applying this section, the number of tonnes of greenhouse gas emissions shall be expressed as the equivalent number of cap and trade instruments, as determined in accordance with subsection 2(4).

“If instruments distributed free of charge do not exceed aggregate emissions

“(3) If the number of instruments that were distributed free of charge to the participant under the Climate Change Mitigation and Low-carbon Economy Act, 2016 is equal to or less than the aggregate amount of all greenhouse gas emissions attributed to the participant in respect of the prescribed time period, the maximum number of cap and trade instruments in respect of which compensation may be paid to a participant shall be determined by applying the following formula:

“A = B - C

“where,

“A = the maximum number of cap and trade instruments in respect of which compensation may be paid to the participant,

“B = the number of cap and trade instruments held in the participant’s cap and trade accounts that are cancelled under paragraph 1 of section 7, and

“C = the number of the participant’s cap and trade instruments referred to in ‘B’ that are classified or assigned a vintage year of 2021.

“If instruments distributed free of charge exceed aggregate emissions

“(3.1) If the number of instruments that were distributed free of charge to the participant under the Climate Change Mitigation and Low-carbon Economy Act, 2016 is greater than the aggregate amount of all greenhouse gas emissions attributed to the participant in respect of the prescribed time period, the maximum number of cap and trade instruments in respect of which compensation may be paid to a participant shall be determined by applying the following formula:

“A = (B–C)–(D–E)

“where,

“A = the maximum number of cap and trade instruments in respect of which compensation may be paid to the participant,

“B = the number of cap and trade instruments held in the participant’s cap and trade accounts that are cancelled under paragraph 1 of section 7,

“C = the number of the participant’s cap and trade instruments referred to in ‘B’ that are classified or assigned a vintage year of 2021,

“D = the number of cap and trade instruments that were distributed free of charge to the participant, and

“E = the aggregate amount of all greenhouse gas emissions attributed to the participant in respect of the prescribed time period.”

And—yes, that’s the end of that.

**The Chair (Mr. Dave Smith):** Minister Phillips, could you clarify for me, please, on the first “C,” “the number of the participant’s cap and trade instruments referred to in ‘B’ that are classified with or assigned” —

**Hon. Rod Phillips:** That’s correct: “with or assigned.”

**The Chair (Mr. Dave Smith):** And also the second “C,” “C = the number” —

**Hon. Rod Phillips:** “With or.”

**The Chair (Mr. Dave Smith):** “With or”?

**Hon. Rod Phillips:** That’s correct.

**The Chair (Mr. Dave Smith):** Thank you.

**Hon. Rod Phillips:** First, because it’s my first chance to address the committee and to share just—I do appreciate—

**The Chair (Mr. Dave Smith):** Could you move the microphone closer, please?

**Hon. Rod Phillips:** Sure. I was saying, just because it’s my first chance to address the committee, a number of the comments that have been made that I think my able PA has referenced would be, in our minds, more appropriately assigned to the plan we’re getting, but they have been very helpful relative to the targets, absolute and percentage; the

broader relationship with the economy and the environment; and the cost of doing nothing. I take the member from Danforth’s point and also the point on adaptation and risk. Those are all very helpful, if not timely right now.

In regard to the motion, the purpose here is to address concerns we had relative to compensation that came as a result of the committee’s hearings. One of the key policy objectives was to make sure that capped entities were not getting compensated twice for free charges. The existing retirement, cancellation and compensation approach in Bill 4 could result in a double deduction of free allowances. The motion amends that to eliminate the potential for double deductions while achieving the policy objective of making sure that no participant gets compensated as a result of the free allowances.

**The Chair (Mr. Dave Smith):** Mr. Tabuns.

**Mr. Peter Tabuns:** I appreciate the minister being here and going through that explanation. Just so that I’m clear in my own mind: As originally written, there was the potential for someone to be double-charged for a free allowance and—

**Hon. Rod Phillips:** Someone could have benefited from a free allowance. That was the concern. It was a possibility, and this makes it less likely.

**Mr. Peter Tabuns:** Okay, fine. Thank you.

**The Chair (Mr. Dave Smith):** Further discussion or debate? Then we’ll vote on this amendment. Those in favour, please raise your hand. Those opposed? This amendment carries.

Paragraph 1, subsection (4), on page 16: Mr. Schreiner.

**Mr. Mike Schreiner:** I move that paragraph 1 of subsection 8(4) of the bill be struck out and the following substituted:

“1. A participant that was registered as a market participant within the meaning of the Climate Change Mitigation and Low-carbon Economy Act, 2016, other than a market participant related to and acting for, on behalf of, or in relation to a mandatory participant within the meaning of that act.”

Again, this amendment came in response to some of the witnesses who testified here, raising concerns about the fairness of the way in which compensation is designed. There were entities that incorporated and performed functions for mandatory market participants, bought emission allowances for those mandatory market participants, not in a speculative way but in a way that was just so those participants could be in compliance with the act.

It’s my understanding, reading the current act, that it would not make those entities eligible for compensation. So this is designed, again, for fairness. It enables that all mandatory purchasers be eligible for compensation. I think, again, this will help protect the province from potential litigation. This essentially allows those people who were in a related company—they bought credits for a mandatory participant to comply with the allowance requirements—to be eligible for compensation.

**The Chair (Mr. Dave Smith):** Any further comments? Ms. Khanjin.

**Ms. Andrea Khanjin:** I would just make a comment that the individuals that MPP Schreiner is talking about would have had time to divest themselves. Therefore, the amendment doesn't speak to what it's really trying to do, because they would have had time to divest themselves.

**The Chair (Mr. Dave Smith):** Any other comments? Mr. Schreiner.

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**Mr. Mike Schreiner:** Could you elaborate on that? I've had some of those participants come to me with this exact concern. If they had time to divest themselves, clearly they either didn't feel they had sufficient time to divest themselves or weren't aware of the fact that they could divest themselves.

**The Chair (Mr. Dave Smith):** Ms. Khanjin.

**Ms. Andrea Khanjin:** Right. If I'm reading your proposed amendment correctly, then I would say that the approach we're recommending through the cap-and-trade bill—the participants who purchased the allowances to comply with the regulations, because they purchased them in order to help market participants. But the particular purchasers who helped the participants didn't have a compliance obligation. They actually chose to take the risk and trade, so the way that they're treated here is as speculators. They would have had ample time, with the notification, to have divested themselves and to make themselves whole.

**The Chair (Mr. Dave Smith):** Any further comments? Then we will vote on this.

**Mr. Mike Schreiner:** I would ask for a recorded vote.

**Ayes**

Glover, Schreiner, Tabuns.

**Nays**

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** This amendment has lost.

Paragraph 4 of subsection 8(4) on page 17: Ms. Khanjin.

**Ms. Andrea Khanjin:** I move that paragraph 4 of subsection 8(4) of the bill be amended by striking out "storage and transportation of natural gas" at the end and substituting "storage or transportation of natural gas in Ontario".

**The Chair (Mr. Dave Smith):** Comments?

**Ms. Andrea Khanjin:** The reason for this motion to amend paragraph 4, subsection 8(4) of the bill by striking it out. It's a technical amendment to ensure that there's an accurate reference to participants, such as the natural gas distributors. So it's just a technical amendment to make sure that it's clear—no pun intended.

**The Chair (Mr. Dave Smith):** Any other comments or discussion? Then we will vote on this. Those in favour of this amendment, please raise your hand. Those opposed? This amendment will carry.

Paragraph 6 of subsection 8(4) on page 18: Ms. Khanjin.

**Ms. Andrea Khanjin:** I move that paragraph 6 of subsection 8(4) of the bill be amended by striking out "78(1)" and substituting "78(3)".

The reason for this: Again, it's a technical amendment to ensure that there's accurate reference to electricity transmission and the distribution providers. So similarly to the previous amendment, it's a clarification amendment.

**The Chair (Mr. Dave Smith):** Any other comments or discussion? We'll vote on this, then. Those in favour, please raise your hand. Those opposed? This amendment will carry.

Page 19, new paragraph 7, subsection 8(4): Ms. Khanjin.

**Ms. Andrea Khanjin:** I move that subsection 8(4) of the bill be amended by adding the following paragraph:

"7. A participant that was registered as a participant with respect to electricity generation in Ontario at a facility at which the primary activity was electricity generation and at which no products were produced other than electricity and any heat, steam or product gas."

**The Chair (Mr. Dave Smith):** Comments?

**Ms. Andrea Khanjin:** The reason for this amendment is just to make sure that the fuel sector is treated similarly across the board. A few electricity generators were capped participants under the cap-and-trade program, and they had the ability to pass on their costs from the program. Making these participants ineligible is consistent with the approach to protecting taxpayers by not compensating participants that were able to recover their costs through the consumer. It just adds consistency to our bill.

**The Chair (Mr. Dave Smith):** Ms. Khanjin, it wasn't clear; we didn't quite hear well enough. Was that "steam or by-product gas"?

**Ms. Andrea Khanjin:** It was "steam or by-product gas."

**The Chair (Mr. Dave Smith):** Thank you very much.

Any further comments or discussion? We'll vote on this amendment, then. Those in favour, please raise your hand. Those opposed? This amendment will carry.

Since we have gone through all of the section 8 amendments, shall section 8 carry, as amended? Those in favour, please raise your hand. Those opposed? Section 8, as amended, will carry.

Sections 9 and 10 do not have any amendments. Can we carry the two as one single vote? Is there any objection to it as one vote? Good. Then shall sections 9 and 10 carry? Those in favour? Those opposed? Both will carry.

Section 11, page 20, a new subsection, (2.1): Mr. Tabuns.

**Mr. Peter Tabuns:** I move that section 11 of the bill be amended by adding the following subsection:

"Report on expenditures

"(2.1) When there is no balance left in the cap and trade wind down account, the minister shall prepare a report setting out the funds dispensed for each purpose under subsection (2)."

If I may speak to this—

**The Chair (Mr. Dave Smith):** Yes.

**Mr. Peter Tabuns:** Again, Chair, I'd like a recorded vote when the vote comes.

There was a chronic problem with dealing with the Liberals on this matter, in that it was very difficult to find out exactly where the money was going. I think, for transparency's sake, it would be useful for the government to break with the previous government and give an accounting of where the money was spent so that the public will know that the trust they put in the government was something that was defensible. I have nothing more to say on this.

**The Chair (Mr. Dave Smith):** Any further comments or debate? Ms. Khanjin.

**Ms. Andrea Khanjin:** Just to say these expenditures can be seen through public accounts, and if there are any concerns, we can always discuss them at public accounts committee.

**The Chair (Mr. Dave Smith):** Any other comments or debate? Mr. Tabuns?

**Mr. Peter Tabuns:** I have to say, in my time here, things are not always obvious and not everything comes to light in public accounts. Some things are buried. Even now, we can't find out what the government is continuing to spend money on for commitments made under cap-and-trade funds. The FAO couldn't tell us what the government was spending money on that is creating this \$3-billion shortfall. So I think it's entirely reasonable for us to ask and for the public to know what the money is being spent on.

If you don't want to tell the public what you're spending money on, then that's your decision and you will be judged accordingly. But I think it's to your advantage and everyone else's advantage that we are told where the money is going.

**The Chair (Mr. Dave Smith):** Any further comments or debate? Ms. Khanjin.

**Ms. Andrea Khanjin:** Just that we believe in transparency in government, so just like any government would do, we'd make sure that these figures are available through the public accounts.

**The Chair (Mr. Dave Smith):** Mr. Tabuns.

**Mr. Peter Tabuns:** Well, I've dealt with "any government" just prior to your being elected, and they weren't very transparent. I'm assuming that you're going to try and break with that tradition and be open. I suggest that this amendment would be to your advantage, but I don't have further debate on it.

**The Chair (Mr. Dave Smith):** Any further comments or debate? Then we will vote.

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

### Ayes

Glover, Schreiner, Tabuns.

### Nays

Coe, Hogarth, Khanjin, Phillips, Sandhu.

**The Chair (Mr. Dave Smith):** This motion is lost.

New subsection 2.1, page 21: Mr. Phillips.

**Hon. Rod Phillips:** I move that section 11 of the bill be amended by adding the following subsection:

"Same

"(2.1) The funding of a cost described in paragraphs 3, 4 or 6 of subsection (2) may be provided for a cost incurred by the crown before the day this subsection comes into force."

**The Chair (Mr. Dave Smith):** Comments, Mr. Phillips?

**Hon. Rod Phillips:** This is to ensure that expenditures related to the wind-down of the program and initiatives funded by the cap-and-trade program prior to the enactment of this bill are eligible for funding and can be charged against the balance of the cap-and-trade wind-down account.

**The Chair (Mr. Dave Smith):** Any other comments or debate? Then we will vote on this one. All those in favour, please raise your hand. Those opposed? This amendment will carry.

As we've done all of the amendments on this section, shall section 11 carry, as amended? All those in favour, please raise your hand. Those opposed? Section 11 shall carry, as amended.

Sections 12, 13 and 14 have no amendments. We'll deal with all of those together, unless there is an objection. Shall sections 12, 13 and 14 carry? All those in favour? Those opposed? Those three sections will also carry.

Section 15, paragraph 1, subsection (2) on page 22: Ms. Khanjin.

**1500**

**Ms. Andrea Khanjin:** I move that paragraph 1 of subsection 15(2) of the bill be struck out and the following substituted:

"1. Prescribing the amount of compensation to be paid to a participant or class of participants in respect of each cap and trade instrument, which may include prescribing different amounts for different types of cap and trade instruments, or prescribing a procedure for determining such accounts.

"1.1 Prescribing criteria that must be met or circumstances that must apply in order for compensation to be paid."

And this—

**The Chair (Mr. Dave Smith):** Before you go into your comments, it wasn't clear. I'm sorry, Ms. Khanjin. At the end of section 1: "determining such amounts" or "such accounts"?

**Ms. Andrea Khanjin:** Oh, "amounts." Thank you. I misspoke.

**The Chair (Mr. Dave Smith):** Thank you. Comments?

**Ms. Andrea Khanjin:** I would just say that this is another technical amendment, and the reason I'm putting forward this motion is to ensure that regulations can properly be addressed and the compensation can properly be addressed. This is a technical amendment that consolidates the regulation-making authority from the previous subsections.

**The Chair (Mr. Dave Smith):** Any further comments or debate? Then we will vote on this amendment. All those in favour, please raise your hand. Those opposed? This amendment will carry.

Paragraph 5, subsection (2), on page 23: Ms. Khanjin.

**Ms. Andrea Khanjin:** I move that paragraph 5 of subsection 15(2) of the bill be struck out and the following substituted:

“5. Limiting the compensation authorized to be paid under paragraph 4, which may include,

“i. limits that ability in prescribed circumstances, and

“ii. limits in respect of a prescribed number of cap and trade instruments or a number of cap and trade instruments determined in accordance with a prescribed method.”

**The Chair (Mr. Dave Smith):** Could you repeat “i,” please.

**Ms. Andrea Khanjin:** “Limits that apply in prescribed circumstances, and.”

**The Chair (Mr. Dave Smith):** Thank you. Comments?

**Ms. Andrea Khanjin:** Just to lay out the scope of this particular amendment, this amendment clarifies the scope of regulation-making authority to limit the compensation for participants that would be made eligible for the compensation by regulation.

**The Chair (Mr. Dave Smith):** Any other comments or debate? Then shall this amendment carry? All those in favour, please raise your hand. Those opposed? It’ll carry.

Seeing as there are no others for section 15, shall section 15, as amended, carry? Those in favour, please raise your hand. Those opposed? It will carry.

Section 16: There are no amendments, so shall section—

**Mr. Peter Tabuns:** Excuse me: On section 16, yes, I’d like a recorded vote on this, and I’d like to just say I think the government is wrong to repeal the act. As imperfect and as flawed as it was, it was actually contributing to the struggle to stabilize our climate. I think the government is wrong to do this. I would like a recorded vote on this repeal.

**The Chair (Mr. Dave Smith):** Okay. Those in favour of section 16 carrying, please raise your hands.

### Ayes

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

### Nays

Glover, Schreiner, Tabuns.

**The Chair (Mr. Dave Smith):** Section 16 will carry. Section 17, on page 24: Mr. Schreiner.

**Mr. Mike Schreiner:** I’m going to withdraw this amendment because it’s not necessary, given previous votes.

**The Chair (Mr. Dave Smith):** Section 17, then: Shall section 17 carry? Those in favour, please raise your hand. Those opposed? Section 17 will carry.

Shall section 18 carry? Those in favour, please raise your hand. Those opposed, please raise your hand. That carries.

The title: Is there any debate or comment on the title of the bill? Seeing none, shall the title of the bill carry, then? Those in favour, please raise your hand. Those opposed? It carries.

We’ve gone through all of the sections. Shall Bill 4—

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

**The Chair (Mr. Dave Smith):** As a recorded vote, then: Shall Bill 4, as amended, carry?

### Ayes

Coe, Hogarth, Khanjin, Kramp, Phillips, Sandhu.

### Nays

Glover, Schreiner, Tabuns.

**The Chair (Mr. Dave Smith):** We’ll vote on the bill, as amended. Shall it be brought to the House? Those in favour of it being brought to the House, please raise your hand. Those opposed? It carries as well.

I believe we have completed everything with respect to this bill. The committee is now adjourned.

*The committee adjourned at 1506.*









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