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IN-16

**Standing Committee
on the Interior**

Protect Ontario by Securing
Affordable Energy
for Generations Act, 2025

**Comité permanent
des affaires intérieures**

Loi de 2025 pour protéger
l'Ontario en garantissant l'accès
à l'énergie abordable
pour les générations futures

1st Session
44th Parliament
Tuesday 2 December 2025

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44^e législature
Mardi 2 décembre 2025

Chair: Aris Babikian
Clerk: Stefan Uguen-Csenge

Président : Aris Babikian
Greffier : Stefan Uguen-Csenge

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE
ON THE INTERIOR

Tuesday 2 December 2025

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT
DES AFFAIRES INTÉRIEURES

Mardi 2 décembre 2025

The committee met at 0859 in committee room 1.

PROTECT ONTARIO BY SECURING
AFFORDABLE ENERGY
FOR GENERATIONS ACT, 2025

LOI DE 2025 POUR PROTÉGÉR L'ONTARIO
EN GARANTISSANT L'ACCÈS
À L'ÉNERGIE ABORDABLE
POUR LES GÉNÉRATIONS FUTURES

Consideration of the following bill:

Bill 40, An Act to amend various statutes with respect to energy, the electrical sector and public utilities / Projet de loi 40, Loi modifiant diverses lois en ce qui concerne l'énergie, le secteur de l'électricité et les services publics.

The Chair (Mr. Aris Babikian): Good morning, everyone. The Standing Committee on the Interior will now come to order. We are here for clause-by-clause consideration of Bill 40, An Act to amend various statutes with respect to energy, the electrical sector and public utilities.

As always, please wait until I recognize you before starting to speak and, as always, all comments should go through the Chair. Are there any questions before we begin? Seeing none, we will now begin clause-by-clause consideration of Bill 40.

Bill 40 is comprised of three sections which enact three schedules. To deal with the bill in an orderly fashion, I suggest we postpone these three sections to dispose of the schedules first. Is there any agreement on this?

MPP Jamie West: Sorry, Chair. What are you proposing? I apologize.

The Chair (Mr. Aris Babikian): We are leaving the three sections, section 1 to section 3, to the end, and we will deal with the amendments first.

MPP Jamie West: Oh, okay. Agreed.

The Chair (Mr. Aris Babikian): Agreed? Okay.

We will start with schedule 1, section 1.

The first amendment is tabled by the third party. MPP Hsu, you want to move the motion?

Mr. Ted Hsu: Yes. I'll just read it out.

I move that subsection 1(1) of schedule 1 to the bill be amended by striking out "economic growth" in clause 1(a.1.1) of the Electricity Act, 1998 and substituting "economic and productivity growth".

The Chair (Mr. Aris Babikian): Thank you. We have the amendment. Any debate?

MPP Tsao.

Mr. Ted Hsu: Hsu.

The Chair (Mr. Aris Babikian): Hsu. Okay.

Mr. Ted Hsu: Yes—different riding. Thank you, Chair.

The Chair (Mr. Aris Babikian): It's early morning.

Mr. Ted Hsu: I understand. I had the benefit of going to a reception first, so I got a little coffee and breakfast. I may be in better shape.

The Chair (Mr. Aris Babikian): My apologies.

Mr. Ted Hsu: Thank you for being here this morning, to everybody.

This amendment substitutes "economic and productivity growth" for "economic growth." Actually, let me also just preface my statement by saying that I'm very glad to be here today with my colleagues to study this bill in detail. There have been other bills that have skipped committee stage, so I'm very glad to have the chance to talk about this bill in detail. I'm glad to see that the government is also proposing a couple of amendments to improve the language of the bill, and we'll get to them a bit later.

Having said that, I want to explain why this amendment includes the notion of productivity growth to just economic growth. The difference between productivity and economic growth is that productivity is about the amount that you can produce in one hour of work. So, if you have better tools, you can be more productive. If you have better skills, you can be more productive. And if you have better skills and tools, you can make or do more things per hour of work, which means you can command a higher wage. It means that the products you produce are going to be higher quality and less expensive.

These are the things that I think are very important to people these days who are worried about the cost of living, and economists will tell you that raising productivity growth is really what will contribute to improving our standard of living in the long run, contribute to raising real wages after inflation, and limiting the costs of things.

That's why, if you read the newspapers, people writing policy articles keep talking about how Canada has to improve its productivity; how our productivity is lagging behind many other countries, particularly the United States to the south. If we want to compete with the United States, we have to be able to produce the same thing with less effort—and that, we can do by raising productivity. This is all part of protecting Ontario, fighting the Trump tariffs, being able to outcompete other companies or other

countries as we try to expand our markets, so that's why I think it's so important.

Now, I know that there are a lot of places where people have written about the need to improve Canada's productivity. The government, in this bill, Bill 40, is proposing to put in statutes, to put in our laws, this notion of adding economic growth as a criterion for determining our energy policy, and that's fine. But economic growth is a little bit different from productivity growth. Productivity growth, in how it diverges from economic growth—there are some good examples.

The first one I want to bring is just an image. I remember when I was working in Japan for a number of years, and I was driving through the countryside with some of my colleagues. They pointed out this structure that you could see in the rice field and it looked a little bit strange. They told me, "Do you know what this is? This is one of these bridges to nowhere." In the boom in Japan in the 1980s, one thing I've read is that rural areas in Japan had a lot of political power, and so infrastructure was built that wasn't really needed. At some point, they realized, "No, we don't need this," and they just stopped building. That's why you have these half-bridges or bridges to nowhere that you could see at that time in Japan.

One problem that we have in Canada is that we've had labour growth, we've had our population grow, but the investment by business in things like machinery, tools, infrastructure has fallen behind the increase in population. Productivity is about how much you can make or do in one hour of work, so it doesn't increase when you just increase the population.

Statistics Canada keeps track of something called business expenditure on research and development, and that's something that has fallen behind in Canada. In fact, it's something to worry about, because if business expenditure on research and development lags—which it has for decades—then our standard of living falls, and it just becomes all the much harder to deal with this cost-of-living crisis that we're in right now.

So that is why I have asked for an amendment to simply change the word "economic growth" and to replace it with "economic and productivity growth," because if you're going to put something in a statute, in a law, you should get it right.

I think this is a very good time to emphasize that the government of Ontario is interested in how much a worker in Ontario can make or do in one hour, because that determines how competitive we are. That is one of our best weapons for protecting Ontario in this new world of tariffs and changing trade relations. If we're going to write it in stone, figuratively, by putting it in a law, I think we should say "economic and productivity growth." This is not going to handcuff the government in any way, but I think it's going to point this government and future governments in a better direction for the people of Ontario.

0910

The Chair (Mr. Aris Babikian): Any further debate? MPP Cuzzetto.

Mr. Rudy Cuzzetto: I was listening to the member across; he was talking about building bridges. I'm not sure

if he was talking about, when they were in power, the bridge that they built upside down here in the province of Ontario, but we'll leave it at that.

The current wording within this legislation already supports the spirit of this legislation. Ontario's grid supports and creates high-skilled and good-paying jobs, helping attract investment, powering new business and new homes, enabling electrification of communities and industry and driving innovations across the sector. So we will not be supporting this amendment here today.

The Chair (Mr. Aris Babikian): Any further debate? Go ahead, MPP Hsu.

Mr. Ted Hsu: Let me just give you an example of something; another difference between increasing GDP and—where you don't increase productivity. If you are trying to build something and you have a cost overrun, that increases GDP, but in the end, you're still left with the same thing. You haven't improved the productivity of the economy in the long run. That's why productivity is so important.

I'm disappointed that the government won't be supporting this, but at least they're on the record for doing that.

The Chair (Mr. Aris Babikian): Any further debate? MPP West.

MPP Jamie West: There are several amendments that are similar to this that do similar things. Instead of speaking to each one—just in the matter of time for everybody—I just want to say that I think they're supportable. They're not going to do major things, but I think they're supportable in terms of what they'll do, a slight tweak. I just want to have that on the record instead of, for each one, saying it each time, for my colleague and for the rest of the committee.

The Chair (Mr. Aris Babikian): Thank you. Any further debate? I see none.

I'm going to put the question. All in favour of motion 1, please raise your hand. All in opposition, please raise your hand. The motion is lost.

We move to motion 2. It is from the official opposition. MPP West, would you like to table the motion?

MPP Jamie West: I move that subsection 1(1) of schedule 1 to the bill be amended by striking out "in a manner" in clause 1(a.1) of the Electricity Act, 1988 and substituting "in a manner that protects the interests of consumers and that is".

Then it continues with the rest of the paragraph. I move that.

The Chair (Mr. Aris Babikian): Any debate? MPP West.

MPP Jamie West: Basically, what we're looking at here is that we want to ensure that the cost of any kind of economic growth doesn't come at the cost of consumers. We're all facing the reality of—people of all different income types, really, are seeing that, when they go to the grocery store, for example, even if they can afford the groceries, they're making choices on what's the most affordable. People are feeling very gouged at the grocery store.

We know that electricity is sort of the lifeblood of not just industry, but of households. People need the lights to come on. They need to be able to use the microwave or stove. They need to have their air conditioner in the summer. They need to rely on electricity in a reliable way. It's not one of those things that you can try to scale back and time when you're doing laundry. But the reality is, you need electricity in order to facilitate the rest of your life, including going to work. We want to make sure that any kind of economic growth isn't borne by the consumers at the end of the day, or at their expense.

We saw this. Many of us around the table, including myself, were brought in in 2018, and part of that—all governments are very popular, and then they taper off and people feel the need for change. But one of the things that facilitated that, I think, in 2018, was the sell-off of Hydro One and the cost of electricity just skyrocketing. I think one of the reasons I'm here is because the former Minister of Energy was in my riding, and it must have been difficult to knock on doors and look for support when everybody was holding their energy bill and watching it climb every day. So absolutely, we want Ontario to be competitive. We want to attract business here, but we want to make sure that ratepayers aren't carrying the burden of that.

The Chair (Mr. Aris Babikian): Thank you. Any further debate? MPP Dowie.

Mr. Andrew Dowie: In reading the amendment, the Electricity Act already does reference protecting “the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service” as a purpose in the act. So I recommend voting against the motion, as the proposed language is duplicative and certainly does not further the policy objectives for the amendments to the purposes of the act.

The Chair (Mr. Aris Babikian): Thank you. Any further debate? MPP West.

MPP Jamie West: I'll be brief, Chair. I just think that having a duplicate statement, especially when it comes to affordability for a lot of people in our province, is not a bad thing. I think that the citizens of Ontario are looking for sustainability. They're looking for someone to stand with them in the role of government and to talk about how those costs are becoming more and more unaffordable when it comes to electricity, and so I would urge my colleagues to support this.

The Chair (Mr. Aris Babikian): Thank you. Any further debate? Seeing none, I am going to put the question.

MPP Jamie West: Could I have a recorded vote?

The Chair (Mr. Aris Babikian): Okay. Recorded vote.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The motion is lost.

We move to amendment 3, which is tabled by the third party. MPP Hsu, can you table your motion?

Mr. Ted Hsu: Yes, Chair. I move that subsection 1(1) of schedule 1 to the bill be amended by striking out clause 1(a.1.1) of the Electricity Act, 1998 and substituting the following:

“(a.1.1) to support productivity growth;”

The Chair (Mr. Aris Babikian): Thank you. Any debate? MPP Hsu.

Mr. Ted Hsu: Yes, Chair. There are a couple of points that I want to make. One is that productivity growth in most cases does include overall economic growth, growth in the GDP, but it's more important.

It's more important because productivity growth is what will improve the standard of living in the long run. It will allow people to demand higher wages. It will allow people to produce things at higher quality and lower cost. Those are the things that we need to protect Ontario, to compete with the rest of the world, in particular to compete with the United States.

The second thing that this amendment does is it strikes out a phrase in (a.1.1), which is the following: “in a manner consistent with the policies of the government of Ontario.” The tricky thing with this line is that Premier Ford gets to define what economic growth is, and this is not written down in any particular place.

What I'm worried about is having the government policy for economic growth to change depending on how they're lobbied or who gets access to the ministers and how they get access to ministers. I think it's really important to be careful about saying that you want to support whatever it is, economic growth or productivity growth, even though productivity growth is more important. But if you put in this “in a manner consistent with the policies of the government of Ontario,” you're allowing too much leeway for things like influence peddling for government to be influenced by political deal-making. I think what the people of Ontario need are policies that support productivity growth—period—and are not subject to the whim of the government of the day. That is what I think is dangerous about (a.1.1).

0920

That is why I propose replacing it simply with “productivity growth,” which everybody agrees is a good thing. It's constant. It doesn't matter on the government of the day, it doesn't depend on the government of the day and it doesn't allow the government of the day to change its policies on a whim. That, in the end, is good for business because business, when it comes to investment, wants more certainty. If there is a focus on productivity growth, and not an allowance for governments to change on a whim, I think that's good for government, that's good for the economy, and it will make Ontario stronger.

The Chair (Mr. Aris Babikian): Thank you.

Any further debate? MPP Gallagher Murphy.

Mme Dawn Gallagher Murphy: “Economic growth” essentially includes productivity improvements. We do find this is unnecessary, and it's redundant to add such

additional terminology. Economists, business leaders and international financial institutions all agree that productivity drives growth, so pretending they're separate undermines Ontario's strong, credible economic approach and adds unnecessary complexity to our laws.

Chair, we recommend voting against this motion because the current wording within the legislation already supports the spirit of this legislation.

The Chair (Mr. Aris Babikian): Thank you.

Any further debate? MPP Hsu.

Mr. Ted Hsu: I think this government fundamentally doesn't understand economics. Productivity growth does drive economic growth, but economic growth does not necessarily drive productivity growth. This is the whole point of needing to put in "economic growth," because there are certainly ways—you can work longer hours—to produce more GDP, but that doesn't improve your productivity. In the end, you're not making your life better if you're forced to just work more hours or have somebody crack the whip harder.

It's about having more skills, having more tools, having the infrastructure, having the access to capital. It's about having an economy that is innovative and competitive. Those are the things that lead to productivity growth.

Productivity growth will, in almost all cases, lead to economic growth. But it's productivity growth that we should be focusing on. There's a reason why, if you go and read the literature, economists keep emphasizing productivity growth and not just economic growth.

The Chair (Mr. Aris Babikian): Thank you.

Any further debate? MPP Cuzzetto.

Mr. Rudy Cuzzetto: I've been listening to the Liberal member there talking about economic growth. He comes from a party that lost 300,000 manufacturing jobs in the province. We were a have-not province. Hydro rates were so high, people couldn't even afford to eat or pay for their hydro bills.

I'm not sure what he's talking about when our government has been able to create over a million jobs in this province in our term, as well as attracting over \$70 billion of investment and \$45 billion in the automotive sector alone. So I'm not sure what he's talking about over there.

The Chair (Mr. Aris Babikian): Thank you very much.

Any further debate? Seeing none, I'm going to put the question.

Mr. Ted Hsu: Recorded vote.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The motion is lost.

We move to amendment 4, again with the third party. MPP Hsu, can you table it?

Mr. Ted Hsu: Yes, Chair. I move that subsection 1(1) of schedule 1 to the bill be amended by striking out clause 1(a.1.1) of the Electricity Act, 1998 and substituting the following:

"(a.1.1) to support per capita economic growth;"

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: Thank you, Chair. This addresses one of the ways in which you can seem to have economic growth but not have productivity growth, and this is something that has affected Canada. This replaces "economic growth" with "per capita economic growth." The idea here is, well, if you're not willing to support the previous amendments, at least emphasize the fact that we should be considering per capita economic growth: the size of the economy per person. This itself is a simplification, because you'd want something like "per worker economic growth," but I'll settle for "per capita" to see if the government will even vote against this.

If we want to improve our standard of living, if we want to attack the cost-of-living crisis, it is much better to target per-capita economic growth than just economic growth. Again, this is something that doesn't handcuff the government at all, but it points this government and future governments in a better direction. Since we're going to write this down in the laws of Ontario, this is the time to emphasize, to get the language as well as it can get. So given that the previous amendments were voted down by the government, what I would like to do is replace "economic growth" with "per capita economic growth." In Canada, we've had more economic growth which is not per capita economic growth, and that's because of our lagging productivity.

The Chair (Mr. Aris Babikian): Any further debate? MPP Pinsonneault.

Mr. Steve Pinsonneault: Economic growth inherently includes these improvements. It is unnecessary and redundant to add additional terminology. Economists, business leaders and international financial institutions all agree that certain objectives drive growth. Pretending that they are separate undermines Ontario's strong, credible economic approach and adds unnecessary complexity to our laws.

Ontario's grid supports creation of highly skilled, good-paying jobs; helps attract investment; powers new businesses and homes; enables electrification in communities and industries; and drives innovation across the sectors.

The Chair (Mr. Aris Babikian): Any further debate? MPP Hsu.

Mr. Ted Hsu: I'll just mention that I even read an article a couple of weeks ago about how in the past, Canada had a system that gave a higher wage to workers who were key workers who could contribute to the economy—because they had special skills, for example—and that recently we've moved a little bit more towards workers who are in lower-skilled jobs, so that has been a drag on productivity.

The important thing is really that per-capita economic growth is more important than economic growth, and I'm

offering an opportunity to the government, so I hope that they don't turn it down. I'm trying to make them look better.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none—oh, MPP Cuzzetto.

Mr. Rudy Cuzzetto: I listened to the member talking about economic growth. That was a party that wanted to close down Pickering in 2017. That would've caused us to lose 5,000 jobs and having brownouts and blackouts in our province because we didn't have enough electricity, and these are all well-paying jobs in the province of Ontario.

0930

I'm not sure what he's trying to put here today, but we will not be supporting this motion.

The Chair (Mr. Aris Babikian): Any further debate?

Mr. Ted Hsu: Let me just say: Let's look at these amendments on their merits and not partisan history.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I'm going to put the question.

Mr. Ted Hsu: Recorded vote, please.

Ayes

Hsu.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): Amendment 4 is lost.

We move to amendment 5. Again, we will go to the third party.

Mr. Ted Hsu: I move that subsection 1(1) of schedule 1 to the bill be amended by striking out clause 1(a.1.1) of the Electricity Act, 1998 and substituting the following:

“(a.1.1) to support economic growth in a manner consistent with the policies of the government of Ontario that are prescribed by the regulations;”

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: This amendment adds to the bill the phrase “that are prescribed by the regulations.” The idea here is that the government should write down what its policies are. Again, I'm probably doing the government a favour—this government and future governments. The idea is that you write down the policy so that people and, most importantly, businesses who need to make investment decisions know what the policies of the government are and that these policies are hard to change with a discussion at a fundraiser or anything like that.

It's important that policies be written down because things that are written down are more likely to last and more likely to be carefully thought out, and this gives businesses certainty when they want to invest. When you write down a policy, it also means it will change less. It's less likely to change, and it's more likely to change less when governments change, and that's also important for businesses who are making investment decisions. Again,

this feeds directly into protecting Ontario's economy, making us more competitive in attracting innovation and productivity to growth.

I think it would be good for this government and future governments if they were to write down the policies that are driving our energy plan.

The Chair (Mr. Aris Babikian): Any further debate? MPP Vickers.

MPP Paul Vickers: The current text really does allow the energy system to respond to emerging industries, investment opportunities and electrification needs. Our government will continue to support the creation of highly skilled and good-paying jobs, help attract investment, power new businesses and new homes, enable the electrification of communities and industries, and drive innovation across the sector.

The proposed language in the motion to add—around “support economic growth in a manner consistent with the policies of the government of Ontario” is not consistent with the current approach of setting out relevant policies and priorities in documents outside the legislation and regulation. I recommend voting against the motion.

The Chair (Mr. Aris Babikian): Any further debate? MPP Hsu.

Mr. Ted Hsu: You know what? I agree with my colleague Mr. Vickers across the way there. But what I would say is that businesses and investors would be better served and the people of Ontario would be better served if these government policies were written down and made clear. Just put them on paper so people can see what they are and somebody who wants to invest \$1 billion in Ontario knows what these policies are, that they're written down. They're a little bit harder to change than something you promise verbally at an event.

I think that's why it would help this government and future governments to have these policies written down and prescribed by the regulations.

The Chair (Mr. Aris Babikian): Any further debate? MPP West.

MPP Jamie West: For my colleague: I was going through the amendments and this seems similar to the first amendment, but more specific with regulations. I was just wondering if you could expand on why the reference to the regulations, so I could better understand.

The Chair (Mr. Aris Babikian): MPP Hsu.

Mr. Ted Hsu: The first amendment is about adding productivity growth to economic growth, because productivity growth is such an important goal. That's widely acknowledged by the economics and business community.

The first amendment leaves in this phrase, “in a manner consistent with the policies of the government of Ontario,” without modification. This amendment modifies the phrase “in a manner consistent with the policies of the government of Ontario” with saying that these policies should be prescribed by the regulations—in other words, written down.

I think the two are complementary. The first one is meant to improve the goal of simple economic growth by including productivity growth, because there are many

examples in history where we've had economic growth without commensurate productivity growth.

This amendment, the second amendment, deals with the fact that this government and other governments have, from time to time, decided that they should help somebody for some reason that perhaps is not in the public good, and this is, of course, not written down. The famous example where things are not written down is that Premier Ford, a few years ago, was not clear what his stand was on the greenbelt. He said one thing in public and another thing caught on a private video. If Premier Ford had simply written down what his greenbelt policy was at that time, it would have been clear and he would have stayed out of trouble. So that's what I want to do to help Premier Ford's government and future governments going forward.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I'm going to put the question.

Mr. Ted Hsu: Recorded vote.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The motion is lost.

We move to amendment 6, from the official opposition. MPP West.

MPP Jamie West: I move that subsection 1(2) of schedule 1 to the bill be amended by striking out “low-carbon hydrogen, including” in clause 1(d.1) of the Electricity Act, 1998 and substituting “low-carbon hydrogen, being hydrogen produced through the electrolysis of water using an electric current generated from a source with zero or close to zero emissions of greenhouse gas within the meaning of the Environmental Protection Act, including”. That ends the quote.

0940

The Chair (Mr. Aris Babikian): Any debate? MPP West.

MPP Jamie West: What we're trying to do in here is just define low-carbon hydrogen to mean hydrogen that comes from water. Any kid in grade school can tell you that water is H_2O , and the H is hydrogen. So you have a very clean source of hydrogen.

Then, as people are switching fuel supplies, more and more people are aware of the impact that carbon is having on the environment and the impact to the environment. And so if you are extracting hydrogen through more dirty processes that use natural gas, you have an impact that's similar—not quite the same, but similarly carbon-intensive as burning natural gas directly. I know that there are a lot of people in Ontario who want to move to cleaner power supplies, nuclear and hydrogen, but they want the clean, low-carbon hydrogen.

I think that if we're looking at transforming our grid, finding new energy sources, we shouldn't be making the mistakes of the past in increasing that impact that it's having on our environment through carbon burning. I know that there's a lot of stress on not just this government but any government of the day to support the fossil fuel industry. There is a role for them to play, but I don't think that we should be continuing to invest in new ways for them when we have an abundant supply of water to be extracting hydrogen from.

The Chair (Mr. Aris Babikian): Any further debate? MPP Hsu.

Mr. Ted Hsu: I think this amendment is commendable because it clarifies what low-carbon hydrogen is instead of it being set by—I don't know—for example, unwritten government policy.

I was wondering if the member would be amenable to a sub-amendment because there have been geologic sources of hydrogen discovered recently, and it's not clear at all whether these are widespread. They might be widespread. In fact, some people are excited and think that there might be hydrogen that could be mined, that could be extracted from the earth, because we don't really know how much there is out there. If there is a lot, this would be, potentially, a source of energy and a source of hydrogen in particular that would be low carbon because it's geological.

I was wondering if I could add somewhere in the amendment something like, comma “or geologic sources of hydrogen” comma.

The Chair (Mr. Aris Babikian): Thank you, MPP Hsu. Because of the time allocation, you cannot put an amendment to an amendment, so we're going to stay with the original amendment.

Any further debate on the original amendment? MPP Gallagher Murphy.

M^{me} Dawn Gallagher Murphy: Thank you to Member West for the amendment. I do want to note that our government has always been technology-agnostic, and we do find that that is critical for innovators to be able to compete. We don't want legislation picking the winners and the losers before a market actually develops. We do find that low-carbon hydrogen is a key enabler of clean steel, automotive innovation and next-generation manufacturing.

For these reasons, I'm recommending voting against this motion because we do believe that it would limit the IESO's ability to advance high-potential, low-carbon hydrogen pathways that could support economic development, energy security and industrial competitiveness.

The Chair (Mr. Aris Babikian): Any further debate? MPP West.

MPP Jamie West: Briefly, Chair, just to be clear: A good portion of this bill is about picking the winners and losers. It allows the minister to choose who's going to be accessing the grid and who is not accessing the grid.

I appreciate the argument about being agnostic, but the majority of this bill is not agnostic about anything. I think that if we're talking about the future of our environment and the concerns people have with the carbon impact—I

know many of my colleagues across the table, I would say the majority of their questions prior to the last election were about the carbon tax and the expense of the carbon tax. If you're really concerned about the expense of the carbon tax, we should bring down our need to use carbon-based fuels—just for the record.

The Chair (Mr. Aris Babikian): Thank you. Any further debate? MPP Gallagher-Murphy.

Mme Dawn Gallagher Murphy: Yes, I just want to take note that this is why our government launched the Hydrogen Innovation Fund. I believe the second or third announcement on this was not too long ago, and this helps contribute to long-term affordability and reliable clean energy systems while supporting the low-carbon energy transition in this province. I think that's a key part of this. Thank you.

The Chair (Mr. Aris Babikian): Thank you. Any further debate? Any further debate? Seeing none, I'm going to put the question—

MPP Jamie West: Recorded vote

The Chair (Mr. Aris Babikian): Recorded vote.

Ayes

West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The motion is lost.

Now, shall schedule 1, section 1 carry? All in favour, please raise your hand. Thank you. All in opposition, please raise your hand. The motion carried.

We're moving on now to schedule 1, section 2. We have amendment 7 by the third party. MPP Hsu.

Mr. Ted Hsu: I move that section 2 of schedule 1 to the bill be amended by striking out "economic growth" in clause 6(1)(1.1) of the Electricity Act, 1998 and substituting "productivity growth".

The Chair (Mr. Aris Babikian): Okay. Thank you. Any debate? MPP Hsu.

Mr. Ted Hsu: This section of the bill is relevant to the Independent Electricity System Operator, and the arguments behind this are similar to the previous—

The Chair (Mr. Aris Babikian): My apologies, MPP Hsu. You have to read the motion again, because there was a mistake. It is the second line where it says "in clause 6(1)(1.1). The second bracket, you read it "(1.1)."'

Mr. Ted Hsu: Oh, my goodness. It's "(1.1)"?

The Chair (Mr. Aris Babikian): Give us a second; let's double-check it.

The font is making the L look like 1, so please, MPP Hsu, read it again. Introduce it again and just make sure that it is "(1.1)," the second bracket.

Mr. Ted Hsu: I will do so, Chair, but before doing that, let me just compliment the Clerk. It seems like an exercise of superpowers here to realize that was an L instead of a

1. So, congratulations. It's good that we're looking at this bill in detail.

I move that section 2 of schedule 1 to the bill be amended by striking out "economic growth" in clause 6(1)(1.1) of the Electricity Act, 1998 and substituting "productivity growth".

The Chair (Mr. Aris Babikian): Thank you.

Debate? MPP Hsu.

0950

Mr. Ted Hsu: I forget what I said, but I think I mentioned that this clause concerns the IESO and the arguments for replacing "economic growth" by "productivity growth" are the same as before. It's productivity growth that will have much more of an ability to help us compete around the world and with the United States, and it will help us protect Ontario and improve the standard of living and attack the cost-of-living crisis.

The Chair (Mr. Aris Babikian): Any further debate? MPP Dowie.

Mr. Andrew Dowie: I was going to recommend the committee vote against this motion because the wording within the legislation actually already supports the spirit of this legislation.

The Chair (Mr. Aris Babikian): Any further debate?

Seeing none, I will put the question. All in favour of amendment 7, please raise your hand. All in opposition, please raise your hand. The motion is lost.

We move to amendment 8 by the third party, MPP Hsu. But you have to be careful again, we have the same problem with the next amendment, which is "1.1."

Mr. Ted Hsu: Understood. Thank you, Chair.

I move that section 2 of schedule 1 to the bill be amended by striking out "economic growth" in clause 6(1)(1.1) of the Electricity Act, 1998 and substituting "per capita economic growth".

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: Again, the arguments behind this are the same as the ones made previously in section 1. This section is with regard to the mandate of the IESO. Again, the difference between "per capita growth" and "economic growth" is that sometimes you can have economic growth just because the population increased, and that's not the kind of economic growth that is the most important for helping us protect Ontario and compete, innovate and improve the business climate in Ontario and attack the cost-of-living crisis.

I understand that Mr. Dowie, across the way, has said that the current wording in the bill has the same spirit as if we substituted something like this, but I would argue that law and spirit are equally important.

The Chair (Mr. Aris Babikian): Any further debate?

Seeing none, I'm going to put the question. All in favour of amendment 8, please raise your hand. All in opposition to amendment 8, please raise your hand. The motion is lost.

We move to amendment 9. Again, it is the third party. MPP Tsu, please keep in mind the second bracket—again the same issue.

Mr. Ted Hsu: I move that section 2 of schedule 1 to the bill be amended by striking out “economic growth” in clause 6(1)(l.1) of the Electricity Act, 1998 and substituting “economic and productivity growth”.

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: Again, this is a section regarding the mandate of the IESO and, given that the previous amendments were voted down, this simply keeps what the government has, but adds “productivity growth,” because productivity growth is so important that economists and business leaders write about it, and that’s why just having “economic growth” is not enough.

The Chair (Mr. Aris Babikian): MPP Pinsonneault.

Mr. Steve Pinsonneault: Again, the legislation already supports the spirit of this legislation. I recommend against voting against this motion.

The Chair (Mr. Aris Babikian): Any further debate? MPP Hsu.

Mr. Ted Hsu: Let me just reiterate that spirit is very good, the spirit of laws, but the actual words in the laws matter too. That’s why I think it’s not enough to say that the spirit of some piece of legislation points in a certain direction. I think you need words.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I’m going to put the question.

Mr. Ted Hsu: Could I have a recorded vote, please?

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The motion is lost.

Shall schedule 1, section 2, carry? All in favour, please raise your hand. All in opposition, please raise your hand. The motion is carried.

Schedule 1, section 3: Is there any debate? There are no amendments for this section. I see none. I’m going to put the question. Shall schedule 1, section 3, carry? All in favour, please raise your hand. All in opposition? Schedule 1, section 3, carried.

We move to schedule 1, section 4. There is an amendment. MPP Hsu, amendment 10.

Mr. Ted Hsu: I move that section 4 of schedule 1 to the bill be amended by adding the following subsection:

“(2) Section 25.34 of the act is amended by adding the following subsection:

“Payments and rationale to be reported to Legislature

“(2.1) The minister shall report any payments of an amount described in paragraph 0.1 of subsection (2) to the assembly in accordance with the requirements prescribed by the regulations and shall include the minister’s rationale for making the payment in the report.”

The Chair (Mr. Aris Babikian): Any further debate? MPP Hsu.

Mr. Ted Hsu: Chair, this amendment is with regards to subsidies for energy generation, distribution or transmission. Sometimes there are purposes for subsidies. On the one hand, we want to have a market price for energy because there are lots of benefits to markets and, in particular, the price contains information.

But then, there are also times when you might want to subsidize the price of energy because you have another goal, like a social goal, for example. There might be cases where somebody has trouble—for example, subsidizing people on low incomes who have trouble paying their bills. In that case, you might decide that it should not be ratepayers that pay for those costs and that the government’s balance sheet should pay for them, and in that case, the government would make such a payment.

There are many of these sorts of payments. The budget of the Ministry of Energy has over \$6 billion, which is subsidies for electricity. Some subsidies are needed but there has to be a line drawn somewhere, and we don’t know where that line is. But I think it should be drawn somewhere because it keeps increasing and we have to worry about not only the debt taken on by the people of Ontario through the government’s actions but also market distortions to the price of energy.

1000

We’re not prescribing in this amendment any particular remedy to that situation. It’s kind of like the elephant in the room because it’s \$6 billion that you have to decide if it should be spent on subsidies or something else, but what we are doing is asking the minister to say what the rationale is for making a particular payment.

If we’re going to subsidize a generator or a distributor or a transmitter, that’s fine, but just explain why. Explain why the government is paying for this and why the ratepayer isn’t paying, because you have the risk of giving up some economic efficiency and you’re taking on more debt.

So just explain—just be transparent and explain and keep yourself out of trouble. That is something that I think will help this and future governments, Chair.

The Chair (Mr. Aris Babikian): Any further debate? MPP West.

MPP Jamie West: I think this is supportable and I think this is one of those things where you maybe learn from error.

The motion was brought forward from my colleague from the Liberal Party, and the Liberal Party is the party that sold off Hydro One and then they brought in the fair hydro plan. The reality is that what we’re doing right now is we’re paying about \$6 billion to subsidize the true cost of hydro, and the difference between the Liberal plan and the Conservative plan is basically that we were paying with a credit card and now we’re paying with a long-term loan, but we’re still paying and we’re collecting not just debt but interest on that debt for doing this. When people open their hydro bills and they’re shocked by the price of their hydro bill, they would be even more shocked to see how much it’s being subsidized for.

I think this would accomplish two things. I think that if the Conservative government was transparent about the

cost and what they're subsidizing, I don't think people would have a negative reaction. Nobody wants their bill to go up but they would understand important decisions being made in order to help them make it through tough economic times. But it also puts some pressure on the government of the day—right now it would be the Conservative government; in the future it will change—to have a long-term plan to address this.

When people know their bill and their debt is collecting, they start to think about how to address this before it becomes too big, because sooner or later this debt could cripple us. So there needs to be a plan to actually bring the prices down. We can't just keep subsidizing forever. It puts pressure as well because it becomes more public, and then when you're making decisions on how to bring down the cost, the public has more information and more buy-in about why this is important. You see this often when they're trying to bring down the debt or the national deficit.

I think this is a really important thing to have out there. Like I said earlier—not to belabour it—the people of Ontario really don't have an idea of how expensive electricity is here. I think that having that awareness of the true cost would be not just educational for them but, like I said earlier, important to recognize the work the government is doing to artificially reduce that, when you have that sort of awareness that allows the government to make decisions about why investments are needed in order to bring the true cost down.

Thank you to my colleague.

The Chair (Mr. Aris Babikian): Any further debate? MPP Dowie.

Mr. Andrew Dowie: My recommendation to the committee is to vote against the motion as the reporting requirement that's introduced by the amendment is not necessary.

We have compliance mechanisms for the Emissions Performance Standards program and reporting of the trade of clean energy credits. That forms the basis of funding for the FCEF. So with that, they already exist. Stakeholders have been made aware of the mechanisms of the FCEF, and really, the FCEF allows for flexibility in implementation.

So for those reasons, I recommend not supporting the amendment.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I'm going to put the question. All in favour of—

Mr. Ted Hsu: Chair, a recorded vote, please.

The Chair (Mr. Aris Babikian): Recorded vote.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The motion is lost.

Shall schedule 1, section 4, carry? All in favour, please raise your hand. All in opposition, please raise your hand. The motion is carried.

We move to schedule 1, section 5. Since there is no amendment to schedule 1, section 5, is there any further debate? Seeing none, I'm going to put the question. Shall schedule 1, section 5, carry? All in favour, please raise your hand. Thank you. All in opposition, please raise your hand. Seeing none, the motion is carried.

We move to schedule 1, section 6. There are no amendments. Shall schedule 1, section 6, carry? All in favour, please raise your hand. All in opposition, please raise your hand. The motion is carried.

We move to schedule 1, section 7. We have amendment 11, by the third party. Please table the motion.

Mr. Ted Hsu: I move that section 7 of schedule 1 to the bill be amended by striking out subsection 28.1(5) of the Electricity Act, 1998, and substituting the following:

“Specified connection requirements may include any necessary or advisable criteria

“(5) The regulations specifying conditions, requirements, limitations or approvals for the specified connection requirements may include criteria respecting economic development, job creation, efficiency, innovation, competition, system impacts or the ability to mitigate system impacts, fiscal impacts, the risk of stranded electrical capacity from unrealized business ventures, sustainability, sovereignty, anything provided for in this act or any other matter the Lieutenant Governor in Council considers necessary or advisable.”

The Chair (Mr. Aris Babikian): Any debate?

MPP Hsu.

Mr. Ted Hsu: This section of the bill concerns decisions that are going to be made about who gets to connect to the electricity system, who gets the electrical power, because it's limited and the government—or somebody—is going to have to make choices. Currently, everybody gets an equal chance. The problem is that we might have things like what is being experienced in the United States right now, where data centres are taking capacity and driving up prices for everybody else.

The current version of the bill says that there will be regulations and these regulations will consider certain things, and it lists in the bill only economic development, job creation, and then there's kind of an omnibus anything else that might come into play. The government has chosen in this legislation to emphasize economic development and job creation.

But I think that this legislation, instead of leaving a lot of things out which are important, should include these other things to show that we're serious, that we really want to move in a certain direction that's going to make us more competitive. That's why I've listed them here.

One of them is efficiency. We have to have an efficient economy in order to compete, to make sure that all of the resources—soft resources, hard resources, natural resources, human resources—are used efficiently. I think innovation is very important. You might have two differ-

ent competitors for power. One of them might be more innovative and help advance the economy and help us to compete. That's why innovation is here.

1010

That's why competition is in here, as well. We need our economy to be more competitive if we're to succeed. For example, one thing that we're trying to do in Canada is to expand our trade relations to countries other than the United States. If you move into a new market, you don't have the privileges of incumbency, so you've got to not only match the opposition, but you've got to beat the competition. That's why being more competitive is so important.

But there are other things to ask when you're trying to decide who gets to compete. We should say something about the fact that there are different users that have different impacts on the system. Some users will just draw electricity, maybe they'll draw a baseload which might match the generation. Others might draw electricity differently. Some applicants for connection might have their own stories. Maybe they'll have their own battery storage or maybe their manufacturing process will have the ability to ramp up and down. And so, there are system impacts and then also the ability to improve the system to mitigate system impacts.

There might be fiscal impacts which are very important and was the motivation behind the previous amendment, because we always have to watch the debt which in the last few years has grown.

There's also a tricky judgment about whether—the case where you might grant connection rights to some business, and the business just kind of sits on it and never actually uses it. And then in some cases, which we hope never happen, these business ventures may never be realized, so you just gave away system capacity to somebody who doesn't use it and you denied it to somebody else who actually could use it. The probability that a business venture will actually be realized is important because you don't want to strand electrical capacity and deprive another manufacturer or business of that.

Then finally, sustainability—well, two final things. Sustainability is important. It is something that maybe has been put on the back burner in these times, but in the long run it's going to matter. And then sovereignty, which, in fact, is something that is very important these days.

Just as an example, one large user of energy is artificial intelligence and it is very important, as we heard from some of the witnesses today, that we advance not only sovereignty in our electricity system but sovereignty in data and in computing. So you might want to give a few extra points in whatever weighting system you have—and I would recommend using such a system—to the case where we are advancing the sovereignty in a new and important field like artificial intelligence or big data.

That's why I think it is good to specify these things, so that businesses can know that they have support if they're trying to do things, like make Canada more competitive, like make our economy more sovereign and more sustainable, or if they have a really solid business idea as opposed to a business idea that's riskier. Thank you, Chair.

The Chair (Mr. Aris Babikian): Thank you. I see the time is 10:15, so the committee is going to take a recess until 3 o'clock this afternoon. We will pick up the clause-by-clause debate and discussion in the afternoon. Thank you very much.

The committee recessed from 1015 to 1500.

The Chair (Mr. Aris Babikian): Welcome back, committee members. We will resume the clause-by-clause debate on Bill 40.

In the morning, we stopped at amendment 11. It was tabled and the third-party representative stated his explanation. Now we will continue where we stopped. I see there is a further request for debate. MPP Gallagher Murphy.

M^{me} Dawn Gallagher Murphy: To pick up from where we were, this was motion number 11, section 7 of schedule 1. We do find that this amendment introduces a broad and subjective criteria that could create uncertainty and delay projects, which we do not want. It risks discouraging connections and investment in Ontario's data centre sector. Quite honestly, it adds too many factors that may reduce the predictability and increase administrative burden without really improving outcomes.

That being the case, I recommend that we vote against this motion because the expanded criteria, as noted, could create uncertainty for proponents, increase regulatory complexity and invite legal challenges over subjective factors like sovereignty. It risks slowing investment and complicating decision-making without clear guidance.

The Chair (Mr. Aris Babikian): Any further debate? MPP Hsu.

Mr. Ted Hsu: The flip side of what my honourable colleague just mentioned, Chair, is that a lot of arbitrariness is left to the discretionary executive power of the minister and proponents don't know what to expect from the minister, or from the government, in that case. There are things that we want to encourage—competition, innovation, sovereignty, sustainability—and that's why they're in here. If they're left out, we are not letting the business community, the investor community, any other users of energy know that there are these desirable things that should or could be taken into account. That's why I think it is important to put things in here that are good.

Otherwise, we just don't have enough guidelines for how this or a future government will decide what the connection requirements are or how they might decide who gets priority in connecting. Having more certainty about that is a way to give business and investors more certainty. That's why it's important to include these things.

Just as one example, if I could elaborate a little bit, I talked about the risk of stranded electrical capacity from unrealized business ventures. I think if you put that in there, you are telling businesses and investors that if you have an idea that is really solid and is very likely to come to fruition, you're going to get better consideration, because we don't want to reserve electrical capacity for something that's too speculative and has a chance of not being realized. Then you get the capacity while another business that could be building something, manufacturing

something, hiring people and cannot, does not because they don't have that capacity.

I think it's important to mention all of these good things so that investors and businesses will know that this or any future government will be valuing these good things.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I'm going to put the question.

Mr. Ted Hsu: I meant to call for a recorded vote. I was wondering, Chair: Could I have a recorded vote for each of my amendments so I don't have to interrupt you?

The Chair (Mr. Aris Babikian): Okay. That's fine.

Mr. Ted Hsu: There are not very many left. Thank you.

The Chair (Mr. Aris Babikian): From now on, every vote will be recorded.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The motion is lost.

We move to amendment 12. Amendment 12 is also from the third party. MPP Hsu, would you like to table it?

Mr. Ted Hsu: I move that section 7 of schedule 1 to the bill be amended by adding the following subsection to section 28.1 of the Electricity Act, 1998:

“Disclosure of approval criteria

“(5.1) The minister shall publish a description of the criteria, methodology and weighting factors used to evaluate whether the connection or reconnection of a specified load facility will be approved, including how different specified load facilities will be evaluated against each other in cases where they are competing for connection or reconnection.”

The Chair (Mr. Aris Babikian): Thank you. Any debate? MPP Hsu.

Mr. Ted Hsu: Let me put forward a scenario for the government members to consider. Suppose we're close to an election and there are some decisions to be made about who gets to connect at a certain place, and suppose there's an election and the government changes. Should the business fear that, all of a sudden, their plans all have to be thrown away because the government changed and some priorities changed? I think, if objective criteria and methodology and weighting factors—you know, some point-scoring system like what was used, for example, with the Skills Development Fund. If that was put forward, written down and really made transparent, there would be much less risk of requirement to change business plans or investment plans because of the change in political winds.

It's really important, I think, to have objective criteria that are written down to give business and to give investors confidence to invest in projects in Ontario. And I think something like this, where we write down the criteria and the methodology, weighting factors for any kind of system

for determining who gets priority—I think that will really help the business and investment climate and make it hard to pay to play and change the government's mind. We can do that by writing things down.

The Chair (Mr. Aris Babikian): Any further debate? MPP Pinsonneault.

Mr. Steve Pinsonneault: Rigid publication of weights and methodology could reduce flexibility and increase administrative burden. It risks lowering approvals and limiting the ability to adapt to changing system needs. I recommend that we vote against this.

The Chair (Mr. Aris Babikian): Thank you. Any further debate? MPP West.

MPP Jamie West: I want to thank my colleague for submitting this. I think this amendment is supportable.

We're living in a time right now where, because of the SDF scandal, people are feeling like they have to be donors to the party, or connected to the party somehow, or provide plane tickets to France, or floor- or ice-side tickets to hockey rinks—to the point where I'm concerned, actually, because of the way the minister has been defending himself about using trade unions and training facilities, using the mining industry, that public backlash could actually put it in a position where the SDF program is no longer attractive to anybody, even though there are examples of where it's being used really well. Unfortunately, about 53% of it are examples where it hasn't been used well.

1510

I think that in order to win the public's trust again about decision-making in the government, being more transparent about what criteria you're using to select who gets access to high-energy projects and who doesn't. This is a bill about choosing the winners and losers, ultimately, in this.

There is decision-making that has to be made, but if you're not transparent with the public about why that is, it perpetuates the mythology—and I think sometimes earned with this current Conservative government—that you've got to pay to play. The other day during debate, somebody said, “How much do you got, and what do you want?” It's a reputation the government is building for itself right now.

I think that if you want to turn back the clock on that and regain trust from the public, who are starting to get frustrated with the way business is done in Ontario, having this amendment put in with some real criteria—publicly displaying, “We're using a lot of your taxpayer dollars to build infrastructure to support and grow business in Ontario. We want to be respectful of your taxpayer dollars, so we're going to be transparent about how we are making decisions”—is absolutely what has to be done.

I would push back on the Conservatives' basis of “this slows down business.” I really see that as shielding to continue to do what has been happening in the past, where there are just too many happy coincidences of, if you'd gone to the Premier's daughter's wedding, if you are good friends, if somebody's wife happens to work for you, that magically organizations connect to you, and you get

millions and sometimes tens of millions of dollars. We can't continue to do business like that, and our party, the NDP, is opposed to doing business that way.

So I wholeheartedly support this. I'll vote for this one, for sure.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I am going to put the question.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The motion is lost.

We move to amendment 13. It is from the third party. MPP Hsu.

Mr. Ted Hsu: I move that section 7 of schedule 1 to the bill be amended by adding the following subsection to section 28.1 of the Electricity Act, 1998:

“Objective of reliability, affordability and sustainability

“(7) Nothing in this section will be interpreted or applied in a manner that compromises the objective of ensuring a reliable, affordable and sustainable electricity system for all.”

The Chair (Mr. Aris Babikian): MPP Hsu, can you read it again? Because in one place, instead of “shall,” you said “will.”

Mr. Ted Hsu: Sorry.

I move that section 7 of schedule 1 to the bill be amended by adding the following subsection to section 28.1 of the Electricity Act, 1998:

“Objective of reliability, affordability and sustainability

“(7) Nothing in this section shall be interpreted or applied in a manner that compromises the objective of ensuring a reliable, affordable and sustainable electricity system for all.”

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: Section 28.1 is a new section of the Electricity Act that's established by this bill. What it does is it establishes the framework for deciding who gets to connect instead of everybody having equal access.

There will be reasons to want to choose one over another—various different reasons, I think, but we should always be keeping in mind an overall goal of having a reliable, affordable and sustainable electricity system for all—for all means everybody from large industrial users to people at home.

Because we're introducing a rather important section to the Electricity Act which qualitatively changes the rules around connecting to the grid, I think it's important to make sure, given all of the sometimes quite involved things that come before subsection (7), that we state explicitly again that the objective of ensuring a reliable,

affordable and sustainable electricity system for all is not compromised.

The Chair (Mr. Aris Babikian): Any further debate? MPP Vickers.

MPP Paul Vickers: The energy system requires a continuous balancing of priorities, including economic development, electrification, system growth and grid readiness. Reliable, affordable and sustainable are all core mandates for the IESO, OEB and regulated utilities under law and market rules.

Your language is vague and could lead to litigation or decision paralysis when objectives conflict. It duplicates existing protections in the OEB and IESO mandates and may add unnecessary complexity. That is why I'm recommending that we vote against this motion.

The Chair (Mr. Aris Babikian): Thank you.

Any further debate? MPP Hsu.

Mr. Ted Hsu: Well, I think that the language of “reliable, affordable and sustainable electricity system” is something that the minister himself has used, and so I think one can assume that it is the policy of this government.

Elsewhere in this bill, we talk about the policies of the government of Ontario, and so if my honourable colleague there feels that this language of “reliable, affordable and sustainable electricity system” is unclear or might encourage lawsuits, I think other parts of the bill where it talks about “consistent with the policies of the government of Ontario” is also a little vague and might encourage lawsuits.

The Chair (Mr. Aris Babikian): Thank you.

Any further debate? MPP West.

MPP Jamie West: I support this amendment. I think that reinforcing the need for reliable, affordable and sustainable energy is really important. When we started this committee meeting this morning, my colleague and I were rushing in at the last minute because we had spent the morning at AMPCO, the Association of Major Power Consumers of Ontario. Their number-one issue there—and these are the large suppliers and large users of electricity, but they do reflect households as well. Their policies are the same struggles we have in households. When large purchasers are feeling those struggles, it's amplified a hundredfold, a thousandfold.

But the number one thing they said—I'm not speaking for my colleague, but the number-one thing they told me—was, “Our costs have gone up. Our costs are 50% more than they were a year ago.” We know that the household price has gone up 30% about two weeks ago. It's artificially subsidized to the tune of \$6.5 billion in subsidies.

We can't continue to shield people from the true cost of electricity without telling them that we are shielding them from the true cost of electricity. Being clear about a commitment to reliable, affordable and sustainable electricity is paramount to us being competitive. We have to be clear that our large consumers are competing around the world for investments. If you're Agnico Eagle and you have a mine in Quebec and you have a mine in Ontario, and you're competing for investments from the head company and Quebec can guarantee the rate of electricity

year after year at a rate that's much lower than Ontario, then Quebec gets the investments. That's the reality of how workplaces work on these large global scales.

The other part is that part of this bill talks about data centres. Well, geologically, Quebec and Ontario are very similar with access to water supply and to northern regions where it's cooler. If you can have more affordable electricity in Quebec rather than Ontario, how do you make that argument to stay in Ontario, to manufacture and to build jobs here? That becomes difficult. And so I think reminding people and reminding the government, especially in what they're doing here, that the goal is to have reliable, affordable and sustainable electricity is not a bad thing. That's why I'll be supporting this amendment.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I'm going to put the question.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The amendment is lost.

1520

Shall schedule 1, section 7, carry?

Mr. Rudy Cuzzetto: Can we have a recorded vote on that?

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): All in opposition, please raise your hand. It is a recorded vote. I see none. Schedule 1, section 7, is carried.

There are no proposed amendments or notices to sections 8 to 10 of schedule 1 to the bill. I therefore propose that we bundle these sections. Is there agreement to bundle these sections? Okay, all in agreement. Shall sections 8 to 10 of schedule 1 carry?

Mr. Rudy Cuzzetto: Can we have a recorded vote?

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Hsu, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): All in opposition, please raise your hand. The motion is carried.

Shall schedule 1 carry? All in favour? All in opposition? Schedule 1 is carried.

There are no proposed amendments to schedule 2 to the bill. I therefore propose that we bundle sections 1 to 9 of

schedule 2. Is there agreement to bundle these sections? Yes? Okay.

All in favour of schedule 2, sections 1 to 9, please raise your hand. All in opposition, please raise your hand. I see none. Schedule 2, sections 1 to 9, carried.

Shall schedule 2 carry? All in favour? All in opposition? Schedule 2 is carried.

We move to schedule 3. We have amendment 14 from the third party. MPP Hsu.

Mr. Ted Hsu: I move that section 1 of schedule 3 to the bill be amended by striking out "economic growth" in paragraph 2.1 of subsection 1(1) of the Ontario Energy Board Act, 1998 and substituting "economic and productivity growth".

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: The Ontario Energy Board has had the mandate of protecting consumers, and now, with this bill, we are adding to the Ontario Energy Board Act and telling it that it should be regulating the electricity sector in a manner that supports economic growth, consistent with the policies of the government of Ontario. Since we are putting this mandate in statute, I think it very appropriate at this moment to include productivity growth, which is more important than economic growth. It drives economic growth, but it includes all the things that make us more competitive and allow us to protect Ontario's economy and encourage investment in Ontario.

The Chair (Mr. Aris Babikian): Any further debate on amendment 14? I see none.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The motion is lost. We move to amendment 15. MPP Hsu.

Mr. Ted Hsu: I move that section 1 of schedule 3 to the bill be amended by striking out paragraph 2.1 of subsection 1(1) of the Ontario Energy Board Act, 1998 and substituting the following:

"2.1 To support productivity growth."

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: Again, given that the previous amendment was voted down, this is another version, which simply tells the Ontario Energy Board in its mandate to support productivity growth for all of the reasons that I mentioned before.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I'm going to put the question.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The amendment is lost.

We move to amendment 16 from the third party. MPP Hsu.

Mr. Ted Hsu: I move that section 1 of schedule 3 to the bill be amended by striking out paragraph 2.1 of subsection 1(1) of the Ontario Energy Board Act, 1998 and substituting the following:

“2.1 To support per capita economic growth.”

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: Again, in this Ontario Energy Board section of Bill 40, given that the previous amendments were voted down, “per capita economic growth” is a little bit closer to the government’s wording. But it’s also a little bit closer to the, I think, more important goal of encouraging productivity growth in Ontario.

So I’m putting forward this amendment for the consideration of the government members.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I will put the question.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The motion is lost. We move to amendment 17. MPP Hsu.

Mr. Ted Hsu: I move that section 1 of schedule 3 to the bill be amended by striking out paragraph 2.1 of subsection 1(1) of the Ontario Energy Board Act, 1998 and substituting the following:

“2.1 To support economic growth in a manner consistent with the policies of the government of Ontario that are prescribed by the regulations.”

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: Similar to the amendment that I proposed for schedule 1, given that the policies of the government of Ontario may not be written down, the fear is that, given some of the things that have happened with this government and could happen with future governments, we don’t want policies being determined at fundraisers and in the backrooms.

1530

I think it’s fair for the people of Ontario and investors and businesses in Ontario to know something about what the policies of the government of Ontario are when it comes to our energy systems. So, this amendment asks the

government of Ontario to write them down in regulations—or write something down when it comes to policies, so that we have some transparency and we put some guardrails around how much you can get at a fundraiser.

The Chair (Mr. Aris Babikian): Thank you. Any further debate?

Seeing none, I will put the question.

Ayes

Hsu.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): Amendment 17 is lost.

We move to amendment 18. This is from the official opposition. MPP West?

MPP Jamie West: I move that section 1 of schedule 3 to the bill be amended by adding “and the objective of protecting consumer interests” at the end of paragraph 2.1 of subsection 1(1) of the Ontario Energy Board Act, 1998.

The Chair (Mr. Aris Babikian): Any debate? MPP West.

MPP Jamie West: This is similar to the amendment I had earlier—amendment 2 in our schedule. Basically, this is about ensuring that OEB decisions that support economic growth don’t come at the expense of consumers. Obviously, New Democrats support economic growth, but ratepayer dollars should not be used to fund corporate welfare. We want to make sure that the system is fair for people who are struggling to put food on the table, pay their bills, afford rent and hopefully one day afford a mortgage. It’s just about ensuring that people who are feeling that squeeze at all levels of financial ability are able to pay for what’s theirs but not have to fund large corporate interests.

I guess basically what I’m saying is there was legislation recently about Enbridge downloading the cost of expansion to the ratepayers; we’re against doing that. If Enbridge feels like that’s a good formula for success and expanding, then that’s an investment they should make and not force their current consumers to pay for it. That’s why this amendment exists.

The Chair (Mr. Aris Babikian): Thank you. MPP Hsu?

Mr. Ted Hsu: The Ontario Energy Board has historically had the role of protecting consumers. So people who are worried about their energy bills—and there are many in Ontario—know that there’s somebody who has got their back: the Ontario Energy Board.

In this bill, Bill 40, the government is adding something else “to regulate the electricity sector in a manner that supports economic growth, consistent with the policies of the government of Ontario”—unspecified. So, I support this amendment because it emphasizes that, when push

comes to shove, the Ontario Energy Board is the body that has the back of consumers of energy in Ontario.

The Chair (Mr. Aris Babikian): Any further debate? MPP Cuzzetto.

Mr. Rudy Cuzzetto: I want to thank the member for this motion. But protecting the consumer's interest is already part of the Ontario Energy Board, so we will not be supporting this.

The Chair (Mr. Aris Babikian): Any further debate? MPP Hsu.

Mr. Ted Hsu: I think the point of my honourable colleague from the NDP's amendment is that, because this paragraph 2.1 is being added to the Ontario Energy Board Act, there is a danger that it will be interpreted by, if not this government then a future government, as an either-or thing. They could say, "Oh, this is important for economic growth. And by the way, this is our government policy, so we're going to set aside the consumer protection."

What that means is there isn't a body that's always going to have the consumer's back, and so I think that's the point of this amendment. I don't believe my honourable colleague from Mississauga has effectively rebutted the reason for having this amendment.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I am going to put the question. Shall amendment 18 carry?

MPP Jamie West: Recorded vote.

The Chair (Mr. Aris Babikian): Recorded vote.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The amendment is lost.

Shall schedule 3, section 1, carry?

Mr. Rudy Cuzzetto: Can we have a recorded vote?

The Chair (Mr. Aris Babikian): Recorded vote? Okay.

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): Seeing none, schedule 3, section 1, carried.

There are no proposed amendments or notices to sections 2 to 5 of schedule 3 of the bill. I therefore propose that we bundle these sections. Is there an agreement to bundle these sections? Okay. Shall sections 2 to 5 of schedule 3 carry? All in favour, please raise your hand. Thank you. All in opposition, please raise your hand. Thank you. Sections 2 to 5 of schedule 3 carry.

We move to schedule 3, section 6. We have amendment 19 from the third party. MPP Hsu, can you table it?

Mr. Ted Hsu: I move that section 6 of schedule 3 to the bill be amended by adding the following subsection to section 13.1 of the Ontario Energy Board Act, 1998:

"Public consultation before issuing policies

"(4) The chief executive officer shall not issue policies under this section unless,

"(a) the chief executive officer has made available to the public a notice containing the contents of the proposed policy;

"(b) the proposed policy is made available for public comment for at least 30 days; and

"(c) the chief executive officer has considered whatever comments and submissions that members of the public have made on the proposed issue and, where the chief executive officer considers it appropriate, made changes to the proposed policy in response to the comments and submissions."

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: I believe it was the deputy minister, but in any case, when a senior member of the ministry staff came to committee to testify, I asked why this new power to make policies around internal procedures was necessary. Why did the chief executive officer of the OEB need these new powers to be put in statute? The answer that I got was they just wanted to clarify that the CEO had these powers.

In that spirit, I would say, why not clarify things more and make it clear to the public as well why the chief executive officer needs these extra powers? That is why we're having, in this amendment, a notice that there is going to be a change in the internal procedures of the body that's supposed to have their backs as consumers of energy, that they get a chance to comment on the policy and that the chief executive officer has to read the comments and responds as the chief executive officer sees fit. So it's simply making this new power more transparent to the public and making sure that they can have the confidence that this power is going to be used to at least not degrade the consumer protection that the OEB is mandated to provide.

1540

The Chair (Mr. Aris Babikian): Any further debate? MPP West.

MPP Jamie West: This amendment and the following next two amendments are all about making things more transparent, so rather than comment separately on each one—I do think that having more transparency in this is really important. As I've said before, people are going through a tough time in general—all of us—with affordability issues and are struggling. The more people can understand what's going on, I think, is very important. I don't think it's an unnecessary burden to the OEB CEO to disclose this or, in the future, ones about making different payments or decisions like that. Being transparent, I think, is a great thing.

I want to thank my colleague, and I think this may be a hindsight thing. The Liberal government, when they sold

off Hydro One, exempted that sale from transparency laws. I think that in hindsight maybe that was a bad decision. I feel like it was. This is an opportunity for the Conservative government to learn from those errors.

I support the next three amendments in terms of being transparent with decision-making that's going on, especially those that are going to affect our ratepayers across Ontario.

The Chair (Mr. Aris Babikian): Any further debate? MPP Cuzzetto.

Mr. Rudy Cuzzetto: Introducing mandatory public consultation does not align with the original intent of the government's proposed legislation, which aims to improve the Ontario Energy Board's efficiency, so we will not be supporting this.

The Chair (Mr. Aris Babikian): Any further debate? MPP Hsu.

Mr. Ted Hsu: If the chief executive officer of the Ontario Energy Board had simply decided that, in the name of efficiency—and this is the chief executive officer, so they run the place. If they had simply decided to make some rules on their own to make the OEB more efficient, that would be fine. I wouldn't be here trying to expose everything, because it's the chief executive officer and they're supposed to be running the place. But what's happened here is that the government has decided they have to put this in statute, and they have to write a law to allow the chief executive officer to set internal rules.

That sets off some alarm bells. Why do you have to write a law for this? Why can't the CEO just do it in the name of running an organization efficiently? I'm using the word from my honourable colleague from Mississauga—Lakeshore. That's why it doesn't smell right, because I feel that if this weren't even in the bill, there would be no questions asked. The CEO could just set some internal procedures, as they are certainly entitled to do as the chief executive officer.

I wanted to say on the record that the reason why I want this to be transparent is because the government somehow felt the need to put in statute rules about how the chief executive officer runs the OEB.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I am going to put the question.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The amendment is lost.

Shall schedule 3, section 6, carry? All in favour, please raise your hand. All in opposition, please raise your hand. The motion is carried.

Shall schedule 3, section 7, carry? All in favour, please raise your hand. All in opposition, please raise your hand. The motion is carried.

Schedule 3, section 8: We have two amendments. Amendment 20: MPP Hsu.

Mr. Ted Hsu: I move that section 8 of schedule 3 to the bill be amended by adding the following subsection to section 78.3 of the Ontario Energy Board Act, 1998:

“Payment and rationale to be reported to Legislature

“(3) The minister shall report any payments made under this section to the assembly in accordance with the requirements prescribed by the regulations and shall include the minister's rationale for making the payment in the report.”

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: This gets back to a point that I and also my colleague from Sudbury were making in a related amendment earlier in the bill: that a lot of the cost of energy is moving from the ratepayer's bill to the tax bill. While this can certainly be justified in certain reasons—and earlier on, I gave the example of, suppose you have a social program to help out low-income people. Well, then you could lower their energy bill, but you shouldn't make other ratepayers pay for this social program, because that's not connected to the cost of energy. So it makes sense for the government to take on debt or to have the funds appropriated by the Legislature to do that.

But the number is very, very high now: It's over \$6 billion a year in the energy administration budget. So at some point, we have to say, “Oh, that's too much.” And so, we need to keep track of why we are making these payments.

Now, this section of the bill, section 8 of schedule 3, refers to payments to transmitters out of money appropriated for the purposes of this section by the Legislature. The other parts referred to generators and distributors.

I think that it's really important to understand what the minister's rationale is so that we can at some point say, “No, this is way too much of a subsidy. We have to find a different way of doing things.” Maybe we have to focus more on just lowering the cost of producing, transmitting and distributing electricity. There are many ways to do that.

The other thing that I want to point out in this amendment, Chair, is that the report is supposed to be made to the Legislative Assembly. I think one of the trends I'm seeing in legislation that this government has tabled in the past is more and more power put in the hands of ministers. There's a bill that's presented. It talks about—all the important details are in regulation, and the bill itself is unspecific. This means that there's a lot more executive and discretionary executive power in the hands of ministers and less oversight by the members who are elected by the people of Ontario. We have less oversight over what the government does, because if the government is putting out regulations, they can do that independent of the Legislature.

That explains all of the different pieces of this amendment that I'm putting forward, which I think will benefit the people of Ontario.

The Chair (Mr. Aris Babikian): Any further debate? MPP Pinsonneault.

Mr. Steve Pinsonneault: It enables an unnecessary report mechanism which incorporates a rationale due to its lack of necessity. Compliance mechanisms for the Emissions Performance Standards Program, and reporting of the trade of clear energy credits, which form the basis of funding for the FCEF, already exist, and stakeholders have been made aware of the mechanisms of the FCEF.

The Chair (Mr. Aris Babikian): Any further debate? MPP Hsu.

Mr. Ted Hsu: I think that the subsidies that we have to be careful about go beyond the emissions performance standards system. So for that reason, I think that's an insufficient argument. I think people need to know why. If we're going to create new subsidies and we're going to have the Legislature appropriate the money that taxpayers will have to cover, the elected members should know what the rationale is and even have a chance to maybe debate it, which is a strange thing to ask for in this Legislature.

1550

The Chair (Mr. Aris Babikian): Any further debate? MPP Cuzzetto.

Mr. Rudy Cuzzetto: The member across from the Liberals is talking about subsidies. If they did not sign bills back in their day of 10 times the price of hydro with the Green Energy Act, paying 83 cents a kilowatt hour, we would not be in this situation. A lot of the Liberal insiders ended up having solar panels put on their roofs—and I know a lot of them that have—and they are getting 83 cents a kilowatt hour. If they did not sign those deals back then we wouldn't be in this situation today.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I'm going to put the question on amendment 20.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): Amendment 20 is lost.

We move to amendment 21. MPP Hsu.

Mr. Ted Hsu: I move that section 8 of schedule 3 to the bill be amended by adding the following subsection to section 78.3 of the Ontario Energy Board Act, 1998:

“Public reporting

“(4) If the minister makes a payment under this section,

“(a) the board shall prepare a report assessing the impact of the payment on the interests of consumers, both as purchasers of energy and as taxpayers, and submit it to the minister; and

“(b) the minister shall make available to the public,

“(i) a summary of the financial methodology used to determine the amount of the payment, and

“(ii) the board's report as described in clause (a).”

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu.

Mr. Ted Hsu: Again, this goes back to the Ontario Energy Board's mandate of protecting consumers. If the minister is going to be appropriating money from the Legislature to make a payment, I think it's important for consumers to know, for taxpayers to know—many of them are both—what the impact of this payment is going to be, both as purchasers of energy and as taxpayers.

What's happening today is that the budget of the Ministry of Energy is over \$6 billion—that's billion with a B; nine zeros—per year, and it represents a transfer of costs from the rate base to the tax base. There are justifications for that, but it is a big number, so we should be keeping careful track of why we're doing it.

The OEB's mandate is to protect consumers, and so I think it entirely appropriate that they protect consumers by looking at these payments and making a report to the minister, which is available to the public.

Now, given that the previous amendment has been voted down by the government side, this is another mechanism to allow the public to know what was the methodology to determine the amount of money that they, as taxpayers, are paying to a transmitter and what the Ontario Energy Board, which is supposed to have their backs, as consumers, said about this payment.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I'm going to put the question on amendment 21.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): Amendment 21 is lost.

Shall schedule 3, section 8, carry?

Mr. Rudy Cuzzetto: Can we have a recorded vote?

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

Nays

Hsu, West.

The Chair (Mr. Aris Babikian): Schedule 3, section 8, carried.

We move to schedule 3, section 9. We have four amendments. We will start with amendment 22 from the third party. MPP Hsu.

Mr. Ted Hsu: I move that subsection 9(1) of schedule 3 to the bill be amended by striking out “economic growth” in paragraph 2 of subsection 96(2) of the Ontario Energy Board Act, 1998, and substituting “economic and productivity growth.”

The Chair (Mr. Aris Babikian): Any debate? MPP Hsu?

Mr. Ted Hsu: As before, adding this notion of productivity growth to economic growth—since we’re going to be putting this in statute, figuratively putting it in stone, if we’re going to do that, then why not put in something that’s really important that people, economists and business people have been talking about for a long, long time? Why not include productivity growth? As I’ve stated before, doing that will make us stronger and will protect Ontario. That’s what the people need.

The Chair (Mr. Aris Babikian): Any further debate? MPP West.

MPP Jamie West: Briefly, I mentioned this earlier, there are a couple of amendments that are similar about having economic and productivity growth. The next four, I believe, fit in that category. I’m supportive of those; I’m just not going to comment on each one in the interest of time for my colleagues.

The Chair (Mr. Aris Babikian): Any further debate? I’m going to put the question on amendment 22.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The amendment is lost.

We move to amendment 23. MPP Hsu.

Mr. Ted Hsu: I move that subsection 9(1) of schedule 3 to the bill be amended by striking out paragraph 2 of subsection 96(2) of the Ontario Energy Board Act, 1998, and substituting the following:

“2. to support productivity growth.”

The Chair (Mr. Aris Babikian): Any debate? Go ahead, MPP Hsu.

Mr. Ted Hsu: Again, I don’t want to repeat my arguments too much, but they are very important. Productivity growth is important, and it’s something that people should be supporting.

The Chair (Mr. Aris Babikian): Any further debate? Seeing none, I’m going to put the question.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): The motion is lost.

Committee members, pursuant to the orders of the House dated Thursday, November 6, 2025, I am now required to interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all remaining sections and proposed amendments to Bill 40.

If requested by a member at this time, a waiting period of up to 20 minutes will be permitted.

MPP Jamie West: Anyone need a bathroom break?

Mr. Rudy Cuzzetto: We’re good.

1600

The Chair (Mr. Aris Babikian): Okay. Committee members, we know that, from this point forward, these amendments which have not yet been moved shall be deemed to have been moved, and I will take the vote on them consecutively.

Are the members ready to vote? Amendment 24.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): Amendment 24 is lost.

Amendment 25.

Ayes

Hsu, West.

Nays

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): Amendment 25 is lost.

Shall schedule 3, section 9, carry? All in favour, please raise your hand. All in opposition, please raise your hand. Schedule 3, section 9, is carried.

We move to schedule 3, section 10. Shall schedule 3, section 10, carry?

Mr. Rudy Cuzzetto: Recorded vote.

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): Schedule 3, section 10, is carried.

Schedule 3, section 11: Shall schedule 3, section 11, carry?

Mr. Rudy Cuzzetto: Recorded vote.

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): Schedule 3, section 11, is carried.

Schedule 3, section 12: We have two amendments.

Amendment 26: All in favour, please raise your hand—

Mr. Ted Hsu: Point of order, Chair.

The Chair (Mr. Aris Babikian): Yes, go ahead.

Mr. Ted Hsu: I see we're on a government amendment now. Do these need to be read out or does the motion say they don't need to be read out?

The Chair (Mr. Aris Babikian): No. As I read earlier, all these amendments have been moved, so the only thing left is to vote on them—either carry them or leave them.

We will go back again to amendment 26.

Mr. Rudy Cuzzetto: Recorded vote.

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Hsu, Pinsonneault, Vickers.

Nays

West.

The Chair (Mr. Aris Babikian): Amendment 26 is carried.

Amendment 27.

Mr. Rudy Cuzzetto: Recorded vote.

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Hsu, Pinsonneault, Vickers, West.

The Chair (Mr. Aris Babikian): Amendment 27 is carried.

Shall schedule 3, section 12, carry?

Mr. Rudy Cuzzetto: Recorded vote.

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): Schedule 3, section 12, is carried.

Schedule 3, section 13: Shall schedule 3, section 13, carry?

Mr. Rudy Cuzzetto: Recorded vote.

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Hsu, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): Schedule 3, section 13, is carried.

Shall schedule 3, as amended, carry?

Mr. Rudy Cuzzetto: Recorded vote.

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

The Chair (Mr. Aris Babikian): All in opposition? I see none. Schedule 3, as amended, is carried.

We will go back to our earlier discussion.

Section 1: All in favour, please raise your hand. All in opposition, please raise your hand. Section 1 is carried.

Section 2: Shall section 2 carry? All in favour, please raise your hand. All in opposition, please raise your hand. Section 2 is carried.

Section 3: Shall section 3 carry? All in favour, please raise your hand. All in opposition, please raise your hand. Section 3 is carried.

Now, shall the preamble of the bill carry? All in favour, raise your hand. All in opposition, please raise your hand. The preamble is carried.

Shall the title of the bill carry? All in favour, please raise your hand. All in opposition, please raise your hand. The title of the bill is carried.

Shall Bill 40, as amended, carry? All in favour, please raise your hand.

Mr. Rudy Cuzzetto: Recorded vote.

Ayes

Cuzzetto, Dowie, Gallagher Murphy, Pinsonneault, Vickers.

Nays

Hsu.

The Chair (Mr. Aris Babikian): Bill 40, as amended, is carried.

Shall I report the bill as amended to the House? All in favour, please raise your hand. All in opposition, please raise your hand. I shall report the bill to the House.

Thank you, everyone. That concludes our business for today. The committee now stands adjourned.

The committee adjourned at 1609.

STANDING COMMITTEE ON THE INTERIOR

Chair / Président

Mr. Aris Babikian (Scarborough–Agincourt PC)

First Vice-Chair / Premier Vice-Président

Mr. Sol Mamakwa (Kiiwetinoong ND)

Second Vice-Chair / Deuxième Vice-Président

Mr. Jonathan Tsao (Don Valley North / Don Valley-Nord L)

Mr. Aris Babikian (Scarborough–Agincourt PC)

Mr. Guy Bourgouin (Mushkegowuk–James Bay / Mushkegowuk–Baie James ND)

Mr. Rudy Cuzzetto (Mississauga–Lakeshore PC)

Mr. Andrew Dowie (Windsor–Tecumseh PC)

M^{me} Dawn Gallagher Murphy (Newmarket–Aurora PC)

Mr. Sol Mamakwa (Kiiwetinoong ND)

Mr. Steve Pinsonneault (Lambton–Kent–Middlesex PC)

Mr. Jonathan Tsao (Don Valley North / Don Valley-Nord L)

MPP Paul Vickers (Bruce–Grey–Owen Sound PC)

Substitutions / Membres remplaçants

Mr. Ted Hsu (Kingston and the Islands / Kingston et les îles L)

MPP Jamie West (Sudbury ND)

Clerk / Greffier

Mr. Stefan Uguen-Csenge

Staff / Personnel

Mr. Bruno Falardeau, legislative counsel