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of Ontario

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**Official Report
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des débats
(Hansard)**

Wednesday 27 November 2002

Mercredi 27 novembre 2002

Speaker
Honourable Gary Carr

Clerk
Claude L. DesRosiers

Président
L'honorable Gary Carr

Greffier
Claude L. DesRosiers

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LEGISLATIVE ASSEMBLY
OF ONTARIO

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ASSEMBLÉE LÉGISLATIVE
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The House met at 1845.

ORDERS OF THE DAY

The Deputy Speaker (Mr Bert Johnson): Orders of the day.

Hon John R. Baird (Minister of Energy, minister responsible for francophone affairs): Can I ask for unanimous consent that maybe we could take a three-minute pause?

The Deputy Speaker: Is that agreed? OK.

The House recessed from 1846 to 1848.

ELECTRICITY PRICING,
CONSERVATION
AND SUPPLY ACT, 2002
LOI DE 2002 SUR L'ÉTABLISSEMENT
DU PRIX DE L'ÉLECTRICITÉ,
LA CONSERVATION DE L'ÉLECTRICITÉ
ET L'APPROVISIONNEMENT
EN ÉLECTRICITÉ

Mr Baird moved second reading of the following bill:

Bill 210, An Act to amend various acts in respect of the pricing, conservation and supply of electricity and in respect of other matters related to electricity / Projet de loi 210, Loi modifiant diverses lois en ce qui concerne l'établissement du prix de l'électricité, la conservation de l'électricité et l'approvisionnement en électricité et traitant d'autres questions liées à l'électricité.

The Deputy Speaker (Mr Bert Johnson): We will commence with debate. I'm looking to my right. The Chair recognizes the Minister of Energy from Nepean-Carleton.

Hon John R. Baird (Minister of Energy, minister responsible for francophone affairs): Thank you very much, Speaker. If you're looking to your right, that's me.

Applause.

Hon Mr Baird: I would like to thank my colleague from Scarborough.

I'd like to indicate at the beginning that I'll be sharing my time with the hard-working Minister of Finance, Janet Ecker.

I'm very pleased to have the opportunity to rise to speak to a very important piece of legislation—an important piece of legislation for working families in Ontario, for small business people in Ontario and for a lot of farm operators right around the province. We set out

about six or seven years ago as a provincial government to address a really significant problem. In Ontario, our electricity system, the former Ontario Hydro, had run up about a \$38-billion debt. It was the Titanic of utilities and an iceberg was in sight. We brought in a whole host of reforms to try to really turn that around. While other governments would have preferred to straddle the fence, we took some really definitive action.

I know the member for Windsor West was a big pro-competition Liberal and she must be disappointed with Dalton McGuinty's change.

Interjections.

The Deputy Speaker: I just want to point out, particularly to my left, that I don't want to set a record today.

Hon Mr Baird: I want to welcome the member for Windsor West back. I haven't seen her for a while, but I'm pleased she's back and can participate in these debates. I look forward to her speech because we'll learn a lot when she speaks, as we always do. Sometimes it's things we don't really want to learn.

Anyway, we set about dealing with a \$38-billion legacy from the former Ontario Hydro. People say, "\$38 billion—put that into context for me." Let me do that for you. That's the equivalent of \$10,000 for every family in the province, whether they're in Richmond, Woodstock, Cumberland, Petrolia, Halton Hills, Milton or Cambridge. That's a lot of money. It's \$3,000 for every man, woman and child in the province. For the young child in Don Mills, in Windsor, in York West or in Vankleek Hill, when they're born today, that means they owe \$3,000. That's not the kind of legacy we want to leave our children.

We realized the problem was not going to be fixed overnight. We rejected the notion to bring about change too quickly. We said we should take the time to get it right. So we undertook a whole host of reforms, including the Macdonald commission, including Bill 35, the select committee that was composed of members of this place back in the late 1990s, and we had a market design committee establish rules for the market opening and took the decision to open the market earlier this year.

What we saw in the first few months was quite encouraging. We saw electricity rates go from 4.3 cents to 3.1 cents in the month of May, and we saw electricity go from 4.3 cents to 3.8 cents in June. That was certainly assisted by the supply of a lot of water in the province. The hydroelectric facilities were able to run at really peak capacity. That was good news for a lot of families in Ingersoll and in Oxford county. It was good news for

people in Burritt's Rapids and in Barrhaven and in Vernon. But what we saw in the summer months was really an incredible anomaly.

Perhaps I could welcome back the government House leader. The team, the member for Etobicoke Centre and the member for Windsor West, are now back, so don't adjust your TV set; you might be able to see them both.

I got a letter from—

Mr David Caplan (Don Valley East): From the House leader?

Hon Mr Baird: I say to the member from Toronto, it's not a letter from the House leader. I'd be pleased to read it.

It says, "Mr Speaker, please let Minister Stockwell back in the Legislature. He is truly sorry for how he acted today and promises he will try to control himself in the future. Sincerely, Mrs Stockwell."

That's from the government House leader's mother.

I had visions of grandeur, because I was calling myself the acting—I wasn't the deputy House leader this afternoon; I was the acting government House leader. But alas, when the clock struck 6, I'm now back acting as the deputy to my intellectual mentor and spiritual leader, Chris Stockwell.

I'm pleased as well that the Attorney General is here. The Attorney General and the member for Windsor West had a very colourful exchange.

Someone asked me, "What happened at Queen's Park this afternoon?" I said the Attorney General gave a strong answer and made a comment about another member—I know what that comment was. The member for Windsor West said something and we realized that Dalton McGuinty must be deaf because all the press gallery could hear what she was saying, but Dalton McGuinty couldn't hear it and he was sitting right next to her.

Mrs Sandra Pupatello (Windsor West): Read my lips.

Hon Mr Baird: Well, we'll watch your record; we won't read your lips. The last politician to say that was George Bush.

Interjection.

Hon Mr Baird: What have you.

These two get into a big fight, she gets kicked out, and rather than the Attorney General getting kicked out, my poor friend Stockwell gets kicked out.

Interjection.

Hon Mr Baird: He had it coming to him, though, if you ask me. Anyway, we're pleased to have the member for Windsor West and the government House leader back, forcefully representing their constituents.

I was talking about the debt at the former Ontario Hydro. I would be remiss if I didn't say what a great answer the Attorney General had in question period today. It was spirited and it was full of facts. There is nothing that bothers Liberals more than the facts, and the Attorney General was very forceful at presenting them today.

Anyway, we're talking about the old debt of Ontario Hydro: \$10,000 per family, \$3,000 for every man,

woman and child in Ontario. We couldn't continue to pursue the course that Ontario had followed, so the overwhelming number of MPPs, both on the Liberal and Conservative sides, gave their thumbs up when we debated Bill 35 for the agreement in principle. That's where we decided whether we like the direction. The overwhelming number of MPPs—80% or 85%—agreed to support an open market and competition, saying that was the very best way to tackle the big problem, which was bringing new generation on-line in the province of Ontario. That bill was passed at second reading. It went out to committee. We had hearings right across the province. The Liberals voted for it on second reading, but they changed their mind on third reading. That's before they came in favour of it again, only to, on November 18, change their minds again—as long as you weren't reading fundraising letters, in which case they were still in favour of it—

Hon David Young (Attorney General, minister responsible for native affairs): As Liberals are prone to do.

Hon Mr Baird: "As Liberals are prone to do," the Attorney General said.

The market opened and prices went down in May and June. The price of electricity, though, with the hottest summer in almost 50 years, indeed went up and the system was stretched to the max. I think there were seven days where we had a record demand for electricity. The Premier saw a problem and he appointed me to be the Minister of Energy to replace Stockwell on August 22. That was a good first step, I think most people acknowledge, I say to my friend from Etobicoke Centre. No, I'm just kidding. He did a phenomenal job as the Minister of Energy, as he has done in all the cabinet positions he has been given.

The system was stretched to the max on seven different days in the summer. We realized a peak demand in the province of Ontario. I looked to the member for Nickel Belt. I offered her the opportunity to get a shorter speech from the Minister of Energy and she rejected it. For the entire 40 minutes, she'll enjoy every word of this speech because it's brought to you sponsored by the member for Nickel Belt.

Ms Shelley Martel (Nickel Belt): Where is Hydrozilla when you need it?

Hon Mr Baird: Hydrozilla's not allowed in the chamber.

We had the hottest summer on record in 50 years, and right across the province families tried to escape the sweltering heat waves. They went inside and turned on the air conditioner, and on seven different days we realized record temperatures in the province of Ontario and record demands for electricity, as much as 25,900 megawatts of power.

Interjection.

Hon Mr Baird: I'm looking forward to hearing the member for Etobicoke Centre speak later.

We had a huge increase in the demand for electricity, and that had an accompanying reaction to the cost. In September, once this system had run to the max and

delivered, there were no brownouts or blackouts in the province of Ontario, thanks to the leadership of the former minister, Chris Stockwell. The system was stretched to the max, but it worked. I should pay credit to all the folks who made it work, whether they were the power producers, the workers at Ontario Power Generation, Bruce Power or any number of these small numbers of people right across the province of Ontario.

Ms Martel: The British government. Thank you for supporting British Power.

Hon Mr Baird: Tony Blair is a very good Conservative, I say to the member for Nickel Belt.

In September, after the system had been strained to the max, some of the plants had to come off-line for maintenance and we saw the price even go up more, which was a real concern. When the people of Ontario began to get billed, they were tremendously concerned. They were concerned for two principal reasons: about how they'd pay for the high bill on their kitchen table and they were concerned for their future and their family's future and for electricity. Ernie Eves was concerned, our cabinet, our caucus and our entire team, in fact all members of this Legislature, were concerned. Philip De Souza was concerned about this, I'm sure.

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We set about to look at what type of relief we could provide. The first area we used was built right into this system long before the market opened, the market power mitigation agreement that was there to provide some protection for consumers from the market power of the former Ontario Hydro, now Ontario Power Generation. We looked to that fund that was building up across the street on University Avenue and to how we would provide some relief to consumers.

Providing relief retroactive to May 1 was only part of the concern. I mentioned there were two fundamental concerns: one was the high hydro bill on the kitchen table, and the second was their concern and fear for the future. We set about looking at a mechanism where we could provide some relief to consumers retroactive to May 1. On November 11, Ernie Eves presented a really comprehensive plan to try to deal with some of these bumps along the road. He committed that we would go back and rebate the difference between 4.3 cents and what was paid.

We also came forward with a plan to help ease into this open, competitive market that would provide a price cap, not to generators but rather to the price that consumers pay, of 4.3 cents. That will provide some certainty and will allow us the opportunity to do a number of things.

One is to bring new generation on-line. We hope in Ontario to have some 3,200 megawatts of new power on-line this coming year that we didn't have on-line last summer. That would include 800 megawatts at the Bruce B facility, which was not operational for most of, if not all of, last summer. It would include two reactors at Bruce A, adding up to an accumulative amount of about 1,500 megawatts. We hope to get reactor 4 of Pickering

A on-line, in addition to 400 megawatts at the TransAlta facility outside Sarnia. So this is good news.

We also see a lot of investment in hydroelectric power. That's good for a number of reasons: (1) we need the power; (2) it helps the market; (3) it's good for the environment, it's non-emission. We see across Ontario about \$200 million of investments in hydroelectric power, including, for example, in Ottawa. There are a number of plants that have not operated at full capacity. Hydro Ottawa is making some investments to go from 15 to 27 megawatts on the Ottawa River. That's good news because it's all non-emission, green power that's needed by families and the growing Ontario economy. We've seen about \$200 million in investments right around the province.

We've also seen something that's quite exciting. On Friday, in Bruce county we'll open the first commercial wind farm in the province of Ontario, a company called Huron Wind. I think there are five windmills that have been constructed and will begin to generate electricity. This is a very exciting opportunity. We've seen a number of windmills in Ontario to date, but this is the first commercial wind farm. We hope it's the first of many in the province.

So we're providing relief to customers dating back to May 1 and providing some certainty over the next 40 to 41 months. That's what Bill 210 does, and that's good news.

This plan will pay for itself in a number of ways. We'll be able to pay into the fund in those months when electricity is less than 4.3 cents. For example, I mentioned May and June. In fact the day before the announcement was made, electricity went to 2.8 cents. So on those days where it's below 4.3 cents we'll pay into this consumer fund, and on those days where it's more expensive, we'll draw from it. But that's not enough.

We'll have the funding stream from the market power mitigation agreement, which today has approximately \$700 million. Rather than it sitting across the street on University Avenue at the old Ontario Hydro building, we'll be able to put that to work for consumers in Ontario, and that's good news.

In addition, over the next 41 months we'll probably have a more stable weather forecast, which will be productive. We'll also have, as I mentioned, about 3,200 megawatts as early as next year of new power on-line. That's just a start, because in 2004 we should have additional power coming on from Pickering A, we should have the Brighton Beach facility up and running in Windsor, which will be good news for southwestern Ontario's power needs. We'll also have a number of other investments that will come on-line.

More supply will definitely have an effect on price, and that's good news because when we have more supply, we'll have winners and losers as people bid into the market. When we saw record demands for electricity in Ontario this past summer, we needed every single electron we could get our hands on. So that will be important.

As well, perhaps we'll move on from a difficult 18 months in the energy sector. Whether it's through Enron or other firms south of the border and in the North American market, we've seen approximately 50,000 megawatts of electricity either cancelled or put on hold. That's had a huge effect on the investment climate right across North America and particularly in Ontario, and that will be helpful.

We look forward to coming forward with some additional announcements in the coming months.

The government, as part of our action plan, would like to see the third tunnel at the Sir Adam Beck facility come on-line. That would achieve much greater efficiency at Beck 1 and 2 and help produce about 1.5 additional terawatt hours a year, which will be good news for the province. That's all non-emission, which is good.

Second, we'd like to see the port lands facility, the old Hearn generating station in downtown, brought on-line. The facility proposed would be a natural gas facility, and we'd like to see what opportunities there are for public-private partnerships for these two projects.

We're working very hard—the folks at Ontario Power Generation. People like Ron Osborne and Bill Farlinger and their team are working hard on that initiative because that electricity is needed, not just for supply but in terms of the downtown Toronto facility to help keep downtown Toronto the heart of business in the country. So that's good news.

Some people have talked about the financing of this issue, and I look to a number of sources. I look to Standard and Poor's Rating Services. They had a bulletin on November 13, and the headline was, "Announced Provincial Electricity Rate Cap Will Have No Material Impact on Ontario's Financial Performance." Good news. The Dominion Bond Rating Service in a news release on November 14 said, "Dominion Bond Rating Service expects the net impact of this initiative on the province's fiscal balance to be manageable." More good news. On November 13, in a news release Standard and Poor's said, "Standard and Poor's Rating Services today said that the Ontario government's proposed legislation to freeze electricity rates to consumers for the next four years does not affect the credit rating of the province." That was good news because paying for it is important.

One person who, when we made the announcement, was not convinced, said that it couldn't pay for itself, it wouldn't work and it would lead to increased debt, which is a bad thing—does anyone know who that was? I say to the member for Nickel Belt, who didn't agree with this plan on November 11 and November 12? Does she know?

Ms Martel: I didn't, but I still don't.

Hon Mr Baird: But who did?

Interjection.

Hon Mr Baird: Dalton McGuinty said the province would have to borrow hundreds of millions of dollars. That was wrong. He would have no part of it and he was against it.

Mrs Claudette Boyer (Ottawa-Vanier): Say it ain't so.

Hon Mr Baird: That was on November 11. This is the same guy who voted for Bill 35 on second reading, against Bill 35 on third reading. He's against it in Ottawa, for it in Toronto.

Interjection.

Hon Mr Baird: I'll tell you, Claudette Boyer has always been very consistent on this. She's here today and she has always been very consistent. She was too good for Dalton McGuinty's Liberal Party, and I'm glad she's here today.

Interjection.

Hon Mr Baird: She is. We would love to see Claudette Boyer back in the Legislature after the next election campaign.

The plan—we have a number of bond-rating service agencies, respected individuals, who say it's manageable, say it doesn't affect the credit rating of the province, say it's not a bad plan. The one person we couldn't convince—or the two people: Howard Hampton, who has always had the same position, and Dalton McGuinty, who doesn't agree with it. I call Dalton McGuinty a Howard-come-lately on this issue because he is adopting the plan of both John Baird and Howard Hampton at various times. Of course, Howard Hampton has always been consistently against this issue. We provided some really meaningful relief to consumers, which we think is incredibly important in the province of Ontario. Before I go on, I'd like to talk about some other things.

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One of the real concerns we had wasn't just the plight of working families, and they're concerned about their electricity bills, but it was the effect on small business in the province. We know that small business is big business and it's tremendously important. Here's what Judith Andrew, vice-president of the Canadian Federation of Independent Business which represents small and medium enterprises, had to say about our legislation in a letter dated November 12:

"I write to acknowledge your government's positive action plan to deal with soaring electricity rates and other electricity charges affecting small and medium-sized enterprises since market opening."

That was one of the primary motivations of the legislation, to provide relief to small business, because in Ontario, where we are the capital of job creation, we know that small business plays an important role.

We also know that it's important for farm operators. If you have a dairy operation in North Gower, if you have a dairy operation outside of Vernon or in Richmond or south Nepean, you use a lot of electricity—in Petrolia, in Halton, in Milton, in Lambton county, a lot of dairy operations there. And there are a lot of farmers who are concerned about the viability of their operations. We looked at that and that was one of the reasons that we came forward with this plan. You can see the reaction the plan has got.

On November 11, when I looked at the newscasts, on CBC they talked to a deli owner in Oakville and he said, "This is going to help a lot. I think it's great what they did." He's a job creator. A coffee shop owner in Toronto

said on Global Television that evening, "This is going to help us. I think it's going to help me a lot." On CITY-TV, on November 11, a restaurant owner said, "Hopefully we'll go down on the average rate, like last year. Then I'm very happy about it, good news." An owner of another restaurant, in St Catharines, was quoted in the St Catharines Standard, "I am ecstatic. It's unbelievable; it's light at the end of the tunnel for sure."

We're pleased that we took some really significant action to provide support for folks on pricing. I know within my own constituency there are a lot of farm operators, a lot of small business people and a lot of families in Manordale, in Linwood village, in Fallowfield, in Manotick, in Stittsville who were tremendously concerned about this issue, and we will be able to provide that relief.

I attended some Remembrance Day services over the weekend on the November 11 in Vernon, at the Legion there, the Osgoode Legion puts one on there, and they put one on in Kenmore and in Osgoode village. I attended those Remembrance Day services, as I did in Nepean and in Manotick on the morning of November 11, and I went to the airport to fly back for the announcement.

Does anyone want to know who I met at the Ottawa airport? I met my friend, Dalton McGuinty. He was flying back to Toronto to presumably comment on it and I said to my friend, Dalton, "I hope you're coming to support one of your colleagues from a neighbouring riding in his announcement." And he smiled and almost laughed, meaning Dalton wasn't going to support me, wasn't going to support the plan. I said, "All I ask is that you read it and consider it. You don't have to come out right up to the gate in the first five minutes. Would you consider our plan to help small business and working families and farmers in Ontario?"

Well, he came out against it like you wouldn't believe. He didn't support it. He thought it was wrong, he thought it was crazy and he would have none of it. He actually criticized this party for changing his mind. On November 18, the Ontario Liberal fund sent out a letter to business people in Toronto, presumably in the energy sector. What are they saying? This letter, on Ontario Liberal fund letterhead, says:

"We've seen flip-flops, knee-jerk solutions and apparent disregard for the grim consequences their actions will have on our economy. Higher taxes are predicted to cover the \$800-million shortfall in energy costs. Someone has to pay for this blatant election promise."

But then Dalton McGuinty came and said he supports our plan. So presumably, in his financial plan for the next election, they will have \$800 million to pay for this in their financial numbers, and I know all the members will want to be watching that. So he said it was a flip-flop and a knee-jerk reaction and was not giving regard for the consequences on our economy.

But then the author, the chair of the Ontario Liberal fund, said, "With Dalton McGuinty's Liberals, we'll get the plan Ontario needs and"—this is the part I like—"the

leadership to stick to the plan." People say, "Was this dated two years ago?" No, it was dated on November 18, but on November 18, Dalton McGuinty went out and said he would keep the plan: he would keep the Ernie Eves plan to lower electricity for working families and small business people in the province of Ontario.

Now, earlier that day they had said they would have the courage to stick to his plan. They would have the courage to stick to his plan, is what the Ontario Liberal fund letter said, but then they changed their minds for the fifth time. We all work hard, and we get to know people. I felt badly for Dalton McGuinty on that day in his scrum. One journalist told me it was the worst scrum of his life. It was bad. And I thought, "Well, you know what? We'll see Dalton tomorrow, and we'll see what type of questions he asks in the House."

But he didn't show up the next day, or the next day, or the next day, or the next day, or the next day, or the next day. The only way we got Dalton McGuinty back in this Legislature was Peter Kormos had to stand up and shame him into coming back to this Legislature; put in the bill that would fine Dalton McGuinty for not showing up. Within five minutes of Peter Kormos sitting down from presenting that NDP bill, guess who showed up. Dalton McGuinty. So thank goodness we have Peter Kormos pointing out Dalton McGuinty's shortcoming. I am pleased that I have Dalton McGuinty's support, that Ernie Eves has his support on this issue; if you can't lead, follow, and get out of the way. That's exactly what Dalton McGuinty has done, which is good news.

I'm also excited about the plan, because it recognizes two other important public policy initiatives. It recognizes we have to have more supply, and it recognizes we have to have more conservation. On the supply side, we believe, as a government, we can do more on the green, clean and alternative fuel.

I know all members, particularly the member for St Catharines, were pleased to see Steve Gilchrist appointed as the alternative fuels commissioner. The member for St Catharines says he's delighted. I know he became quite good friends with the member for Scarborough East on the select committee on alternative fuels.

Steve Gilchrist will become the first alternative fuels commissioner in Ontario, and we've already seen the benefits. That happened on a Monday, and on Tuesday there were some really comprehensive initiatives announced to promote green energy, clean energy and alternative fuels. We announced those in Niagara Falls. I was pleased that the member for St Catharines could come and participate in the announcement, perhaps not in the best way that I might have anticipated his participation. But we were glad—

Mr James J. Bradley (St Catharines): You didn't invite me.

Hon Mr Baird: He wasn't invited, but he knows he's always welcome, and he showed up, and we were pleased to see him. Every time that I go to Niagara region, the member for St Catharines welcomes me, personally, which we appreciate.

But what do these measures do to try to encourage new supply in electricity? Let me go over them: provide a comprehensive tax holiday to help create more electricity from cleaner alternative and renewable fuel sources, including natural gas, hydroelectric, solar and wind power. In the legislation we'd even gone further, and talked about biomass, which is important. We want to allow the Beck tunnel project at Niagara Falls to expand and to proceed, and the proposed tax reductions would help support this important project—

Mr Bradley: You were denouncing it last month.

Hon Mr Baird: I know. We were denouncing it the month before, because it wasn't viable. We needed these tax measures, and thank goodness Janet Ecker, our Minister of Finance, was there with the tax relief to make this project work. It couldn't be done, but it could be done with Janet Ecker's support, and the Ministry of Finance is changing them, so thank goodness for that.

And I should acknowledge the hard work of the member for Niagara Falls, who has been a tiger on this issue. He has been a fierce proponent of this project, not just for the environmental benefits but for the huge economic impact it will have on not just Niagara Falls but, indeed, Niagara region. So we're excited about that project and the opportunity for some private sector involvement in it. We want to conduct a study of the Beck 3 generating project at Niagara Falls, and get an independent review: is it feasible to accomplish? Many people believe it is; others have had more caution. We should address this in a really fundamental way, and that independent study on feasibility we hope will be able to do that.

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We want to introduce measures to provide property tax relief to newly created assets that generate alternative electricity. The Ontario water power industry has already benefited from that; we've seen \$200 million in investment, so it's been quite positive.

We want to direct OPG to accelerate its assessment of the new 500-megawatt generating project on Toronto's port lands, at the site of the old Hearn generating station. This is important for a number of reasons, particularly because the transmission capacity in downtown Toronto is in need of additional strength. This would be positive for that, and this legislation helps make that a reality.

It would allow a 100% corporate tax write-off for the cost of assets used to generate electricity from alternative and renewable sources. It would bring forward capital tax exemption for assets used to generate electricity from renewable sources. It would provide a sales tax rebate for building materials used to construct alternative energy facilities. It would create a corporate and income tax holiday for revenues derived from the sale of new supply of electricity generated from alternative sources.

It would introduce a requirement for net metering and connection arrangements between distributors, self-generators and small-scale distributed generation to help remove barriers to self-generation and small-scale generation using renewable energy technology.

The member for Scarborough Centre has an exciting project she's aware of that she's been telling me about: how a farm operator could put a windmill on their property and generate electricity. This announcement directly supports that kind of initiative, because the problem with wind is that you don't get it all the time. If there's an excess capacity of wind, they could put electricity on to the grid and use it themselves when their needs suggest. That would make it more economically feasible for a small business person to do.

We also want to raise the threshold for environmental approvals exemptions for clean generation. It was a hodgepodge and a bunch of environmental red tape where some required more extensive generation than others.

It also established a centre of excellence for electricity jointly at Hamilton's McMaster University and the University of Waterloo. This is something that David McFadden and the Stakeholder Alliance for Competition said was incredibly important if we were to have more research into electricity. I know some people, namely someone named Will Stewart, wanted that to be at Laurier, but the University of Waterloo got it in the Kitchener-Waterloo area.

Those were some good measures to promote green energy.

A lot of this flows out of the work of the alternative fuels select committee. Doug Galt, the chair of that, who has since gone on to bigger and better things, is here. The members of that committee, from all parties, deserve a big pat on the back because they've certainly put these issues, as has Commissioner Gilchrist, on to the agenda here at Queen's Park. We hope these announcements are the first of many in the coming years.

We also made some important announcements with respect to conservation. In Oakville, the next day, on November 13, we announced some initiatives which I'd like to go over. We want to get the government to reduce electricity in its own operations by 10%, which is leadership by example. We want also to make a commitment that the government will purchase 20% of its electricity from renewable sources. We want to commit to the goal of ensuring that every newly constructed government and other institutional building is energy self-sufficient, using alternative or clean sources of energy.

We want to establish a centre of excellence of alternative energy jointly at Queen's University and at the University of Toronto. Queen's University is of course an important institution in the province, where there's a lot of excellence and research takes place. That's good news, not just for Queen's but for eastern Ontario.

The Minister of Energy will also launch a public awareness campaign. People had spoken to us during the consultations we all take on as MPPs about the "Conserve it, preserve it" campaign that ran many years ago. Perhaps we could see something similar to that.

We want to support measures that allow residential and small commercial customers to take initiatives to

conserve energy and achieve more efficient use of the energy supply. We want to encourage large consumers to take advantage of electricity cost savings, such as retrofitting commercial buildings. We want to encourage the conservation of our valuable resources. The government proposes to enhance the corporate income tax treatment of expenditures made by businesses to conserve energy.

We want to propose allowing individuals to claim to get some tax relief with respect to solar energy, and we're following through in this legislation on the PST. I look Rosalyn Lawrence, who's here today, who's one of the people who does a great job at the Ministry of Energy.

We believe that every new home should have the opportunity to take advantage of interval meters; that's something important. If people, perhaps a retired couple in Richmond or in Munster hamlet, could see that the cost of electricity is 8 cents and perhaps not turn on the dishwasher and get a benefit for that, rather than just going into the collective pot, that would have a lot of benefits to conservation, which is also good for the environment.

We'd like to propose that the Ontario Energy Board be given an additional mandate to ensure local electricity distributors reward and encourage consumers who preserve power.

We plan to support the marketing of green power by creating an electronic information system so that people have a better sense of it.

We've proposed that the threshold for the environmental assessment exemption for clean generation be raised to 100 megawatts, and we will be directing the Red Tape Commission to work with the relevant ministries to help reduce red tape in this area. This is where Steve Gilchrist, our alternative energy commissioner, will be able to provide a lot of assistance. I look at the member for Oxford and he certainly agrees with that.

We have proposed to work toward using wind power to provide electricity in First Nations fly-in communities, where they have to fly in diesel power, which is tremendously expensive. If we could work with the federal government, as we have very successfully in a number of areas with First Nations, to make that a reality, that would be good. That's something which we think will be positive in the province of Ontario.

With these initiatives on electricity price and on generation and on supply and on conservation, we think this package collectively will be very good for the province of Ontario, for working families, for the economy. The answer to the concerns that a lot of families and a lot of small businesses had in calling and talking to their MPPs is that the message has been heard, and this action plan goes a long way to helping make it so successful.

I would be remiss in not recognizing all of the hard-working and fantastic people at the Ministry of Energy and the Ministry of Finance, in the Cabinet Office, in the Premier's office and the stakeholders who helped with the plan and the legislation. A lot of people worked tremendously hard and we wouldn't have been able to

arrive at such a successful initiative without that. I would like to, without naming them all, underline their hard work and their efforts in this regard. Their work has made a huge difference. A lot of people are able to sleep more easily at night, given that this problem is being addressed in such a substantial way.

I'd like to thank you for the opportunity to participate in this debate. Marcel Beaubien particularly was concerned, in Lambton county and Petrolia, about this, and I'd like to underline that, as was my colleague Ernie Hardeman in Oxford county.

With that, I'll put my comments to rest. I look forward to hearing from my hard-working colleague the Minister of Finance, the member for Pickering-Ajax-Uxbridge.

Hon Janet Ecker (Minister of Finance): It is, I suspect, a bit of a dubious honour to have to speak in the Legislature tonight after my colleague the Minister of Energy has entertained us so well, has spoken so articulately about our comprehensive strategy to try and assist consumers, assist business to deal with the hydro prices, the electricity prices they were confronted with earlier this year.

I must say that the Minister of Energy has distinguished himself. He has not been in the portfolio all that long, but the day after he was sworn in as a minister, the Friday morning, he was out on site in my riding visiting the Pickering nuclear plant. He was going through there—this is a minister who takes a hands-on approach—to see what could be done about getting that plant back on track, back into producing the energy it can produce to make sure it can be part of a plan to give consumers the kind of energy guarantees, energy security, that they and the business community need in this province.

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I hope the honourable members across the way, our colleagues on the opposition benches, after many, many weeks of standing up and saying there was a problem and that the government needed to act, that consumers needed protection—after many, many weeks of that, I am sure they will be moved by their concern for small business, their concern for consumers, to support the legislation we're bringing forward here in the House this evening. We think this bill, if passed, is going to be very helpful in implementing the very comprehensive strategy that Premier Eves and my colleague the Minister of Energy announced some days ago to lower hydro bills for consumers and businesses across the province.

It would have been very easy for the Premier not to take steps. It would have been much simpler to stand up and say, "No, everything will be fine." But no, this particular Premier took the time, did the due diligence, worked around the clock with staff, the energy and the finance folks, to try and come up with a strategy that would do a couple of very important things. Those objectives you can see in the Electricity Pricing, Conservation and Supply Act.

Interjection.

Hon Mrs Ecker: The honourable member across the way, the member for Don Valley East, seems to think

that taking steps to protect consumers is somehow a laughing matter. That just goes to show where the Liberal Party is coming from on this. As my colleague the Minister of Energy showed so clearly, it's a little hard to distinguish exactly where the Liberal Party is coming from on this issue. On the one hand they like to criticize us for having an open marketplace, trying to do what other jurisdictions have done, to have a competitive marketplace, to have consumers and businesses with an electricity supply—they like to criticize us for the steps we took to do that—and then they like to go out and say to the business community, "Give us money, because we believe business is terrific. Give us money and we will work with you to provide a stable environment." This from the party that is also saying to business, "We want to help you be prosperous, and do you know how we're going to do that?" They're going to not give business any tax breaks. They're going to cancel tax breaks. They're going to increase taxes, and that is their plan for helping small business, for helping consumers, families, for helping our business community to succeed. On this side of the House, not only do we recognize the importance of competitive taxes, we have the track record that shows that bringing down taxes for individuals, for families, actually works in this province.

The legislation is very clear about the objectives we're setting out: to encourage investment in alternative or renewable sources of electricity generation. We think that's very important. Again, we hear our colleagues across the way—both parties having spent some time in government—saying they're very much in favour of alternative energy, green energy etc. But, you know, they didn't do much about it. They talked about it, they said they believed in it, but not much happened. This legislation is actually putting in place a plan which will help make that happen, encouraging investment in alternative or renewable sources of electricity generation.

Encouraging energy conservation: again extremely important, because we want to make sure that all of us are taking steps. The Minister of Energy outlined some of the things we in government are prepared to do to reduce our energy demands. Most consumers, when I talk to people in my riding, also say that they turn down the thermostat, take steps to try to conserve energy. They want to do that, and I think the government should support that, both for the business community and for individuals. So this strategy laid out in the legislation will encourage energy conservation as well.

The measures included in the bill are going to provide a variety of tax incentives, because we know that using our tax system to reward hard work, to reward people who want to invest, take the risk of investing, put their capital into a venture, to take a small business and try and make it grow so they can employ more people in a community—we understand how using the tax system can encourage that, can support that. This legislation will have a variety of tax incentives, including property, business, income, capital and retail sales tax incentives, in support of these objectives.

This is also in keeping with our tax record, which shows that the economic activity generated by tax cuts results in strong economic growth. We have over a million net new jobs in this province, and the majority of those are full-time jobs. That is because here in Ontario, through competitive taxes, balanced budgets, making decisions to remove barriers for the growth of jobs and prosperity in this province, we are seeing growth record in Ontario. We're setting records among the provinces in this country and our competing jurisdictions, beating out many of the OECD countries, in terms of our growth and job creation.

One of the key reasons for that is because we have a competitive tax structure that's going to get even more competitive with the legislation before the House this month, with part of the budget initiatives in June. Let me talk about some of the changes that are going to be in that legislation to help with competitive taxes here in Ontario.

More low-income individuals, another 50,000 low-income individuals, are not going to have to pay any Ontario income tax at all. When you are a modest-income Ontarian, the last thing you need is the government's hand in your pocket. So another 50,000 are going to join the over 700,000 modest-income Ontarians who do not have to pay any Ontario income tax. They still have to pay federal income tax, but we had another 50,000 in this budget.

We brought down the tax rate on small business. The greatest job generator in this province is our small business community. One of the ways we help them to do that is to bring down the small business tax rate. So the budget did that as well.

We reduced the mining tax rate as well. This afternoon, I was with my colleague the Minister of Northern Development and Mines, who was talking about how competitive and successful our mining sector is starting to be with the favourable tax structure they have.

We're bringing down the retail sales tax on the rates for automobile insurance premiums and repairs and replacements made under warranty—another important support for consumers, to cut the RST on automobile insurance premiums

Interjection.

Hon Mrs Ecker: The honourable member for St Catharines makes a comment about auto insurance rates. Perhaps he would enjoy supporting the proposals we have before this House that are working to help protect consumers of auto insurance. That is another important initiative of this government, to protect consumers not only in the auto insurance area but also to protect consumers who are investors, holders of mutual funds and investors in our securities sector; other legislative proposals before the House will do that. And of course, to come back to the subject of this debate, there is protection for consumers in the Electricity Pricing, Conservation and Supply Act, 2002, that we are talking about today.

We're keeping with our tax record in this bill, and an increased supply of affordable electricity will support

continuing growth in the economy. That's what this government believes in: growth, prosperity and more jobs. It is important for that growth and prosperity to occur because that's what generates the investment income we can have for schools, hospitals and the environment. It has to be done together; you can't do one without the other. I know the Liberals across the way some days have difficulty understanding that close relationship that we on this side of the House appreciate, that the way to have continued growth, new investments for schools, hospitals and the environment, is to continue to have growth in the economy and in the revenues that come from that to pay for priority areas in Ontario.

The overall supply of electricity will also help to stabilize prices for the benefit of all Ontarians. We have a twofold aim: to bring additional supply on stream as rapidly as possible, and to increase reserve levels from current levels to ensure that there is sufficient supply to meet forecast demand at all times, so if we have the kind of heat wave we had earlier this year, we can ensure that consumers can be comfortable with the fact that there will be supply there.

A comprehensive tax package is one component of our action plan to increase the electricity supply. We are proposing to support the creation of additional electricity from cleaner energy technologies, including natural gas, hydroelectric, solar and wind power, and to promote conservation, as I said. Again, I would be remiss if I did not recognize that in my riding, in Pickering, we have a new windmill, a new model that is there to try out new technology in windmills. The Pickering nuclear plant, sponsored by OPG, has that project. It's actually becoming quite a local landmark. People remark on it. People are rather proud, I would say, of the fact that we have a new windmill trying out new alternative energy technology right there in the beautiful city of Pickering in my riding.

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The proposed tax measures that are in this legislation support increased electricity supply and green power. We do that through a couple of initiatives. There is to be a 10-year business income tax holiday for income from sales of new supplies of electricity, so a way to encourage that. There's a 100% income tax write-off and a capital tax exemption for the assets that are used to generate new electricity from alternative or renewable sources, including natural gas. And should this legislation pass, we'll be introducing regulations to provide clearer direction to define the assets qualifying for the write-off and the capital tax exemption.

We also propose to allow corporations, businesses here in Ontario, the flexibility to decide when they can start claiming that corporate income tax holiday, an important measure for business, provided they begin generating electricity from alternative or renewable sources by the end of 2007. We've taken great care in terms of setting the calendar years that these tax holidays are available through to make sure that we are doing what we can to encourage that investment, to encourage

businesses to make the investments to have further supply.

There will be a sales tax rebate for eligible businesses for building materials used to construct alternative or renewable electricity generation facilities and also the materials used to construct deep-lake water cooling systems, another important project that we're seeing here in Ontario that again helps to reduce the demand for energy and is better for the environment.

There will be a 10-year property tax holiday for new facilities that generate electricity from alternative or renewable sources by the end of 2007; again, another initiative that will help make some of the potential projects that we're seeing in Ontario more viable and help bring more of them on stream.

Aside from creating alternative or renewable fuel sources, as part of the comprehensive strategy we have the action plan to promote conservation. The primary intention of the conservation measures in the legislation is to reduce electricity use by businesses and individuals. So we are introducing the following tax measures to help make that happen.

There will be an immediate 100% income tax write-off for those businesses for investments in qualifying energy-efficient equipment. The write-off would be available for those businesses that purchase eligible assets after November 25 and before January 1, 2008; before the end of 2007.

Consumers are also very much a part of this. Consumers have, through this legislation, the knowledge that with the 4.3 cents that they are paying for energy, they have some ability to plan, to know that will be the price that is set until the end of this transition period, until 2006. We're also offering a tax rebate for consumers who purchase new energy-efficient household appliances after November 25 of this year and running for a year, to November 26, 2003, to encourage consumers to purchase those major appliances which have an Energy Star rating. There is a process through the federal government—it's something, actually, that is done here in North America—where they set an energy efficiency rating for major appliances. We would like to encourage and support consumers who take the time to do the shopping well, to comparison shop, to make intelligent choices on behalf of the environment.

So the appliances that would be included in this are: refrigerators, clothes washers, dishwashers—the most energy-efficient appliances available.

We're also going to have a five-year retail sales tax rebate for qualifying solar energy systems, which promote clean energy use and are installed in residential premises. There are consumers who have done this or are contemplating doing this. It is another way to use alternative energy. We want to make sure that through our tax structure we are supporting that as well.

All of those are important initiatives. As I said, we believe that tax initiatives are very much one of the things that help promote growth and prosperity in the province. The record is clear that with those kinds of steps on competitive taxes, whether we're talking energy,

whether we're talking personal income tax, whether we're talking our small business community, for example, we are seeing the facts, the data that show that this strategy is working, both in terms of our job growth—as I said, we've created more than one million net new jobs in this province since we delivered our first throne speech in 1995. The majority of those are full-time jobs. They're good jobs. They're important jobs. They're helping families to succeed in this province, helping young people get a good start, helping individuals and families get off social assistance. That's a very important statistic. That's the equivalent of almost 400 new jobs a day. Just imagine, 400 new jobs a day created in this province.

Those one million net new jobs account for more than 45% of the total job growth in Canada since 1995. Some 45% of the total job growth in this country has been here in this province. In fact, the job growth in Ontario was more than double the job growth seen in the United States during that same time period. I know the opposition and the member for St Catharines and his colleagues like to say, "Oh, pooh-pooh," that the economic growth in Ontario is only because we're on the coattails of American growth. Well, if that were the case, we would not have the kind of job growth in Ontario that was more than double the job growth seen in the United States during that same time period. We're not on anybody's coattails; we're leading in that job growth. If we continue to have the right economic fundamentals in place, we will continue to do that. That is what families would like us to do here in this province.

I understand that the members across the way from the Liberal Party who are heckling me here this evening—obviously some of them have just come in from dinner. We can understand their discomfort. We can understand their discomfort when their leader, who we know is a very nice guy, is not up to the job of making those difficult decisions, of making the tough choices that help to keep our province prosperous.

The Liberal leader says, "I am in favour of privatization." This is the same opposition leader who stands up and criticizes steps we have taken to make our electricity sector more competitive. Then he stands up and says, "I am in favour of privatization." Do you know what? Actually one of the great things is to have been able to see that the NDP leader, Howard Hampton, is putting out press releases making sure that the Dalton McGuinty record, the Dalton McGuinty flip-flops, are clearly there for taxpayers to see. Yet at the same time that he's sitting here talking about how we need to go out with privatization, he criticizes the government for taking those same steps that will help lead to a more competitive marketplace. That's what that kind of inconsistency, that kind of knee-jerk policy positioning is clearly showing.

Interjections.

The Deputy Speaker: The member for Windsor-St Clair.

Hon Mrs Ecker: The leadership of Premier Eves on this side of the House, the leadership of this government,

is what will help make sure this province remains prosperous in the future.

The Deputy Speaker: The Chair recognizes the member for Glengarry-Prescott-Russell on a point of order.

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M. Jean-Marc Lalonde (Glengarry-Prescott-Russell): J'aimerais souhaiter la bienvenue à André et Micheline Pomminville du village d'Alfred. Mr Pomminville is a retired agronomist who has worked for the Ontario Ministry of Agriculture. Bienvenue, Micheline et André, et bon séjour à Toronto.

The Deputy Speaker: Welcome.

Now the Chair recognizes the member for Glengarry-Prescott-Russell for two minutes.

Mr Lalonde: I will be giving my speech in French at this time.

Au tout début du discours du ministre de l'Énergie, il a fait référence à la dette de l'Hydro, qui se situe dans les environs de 38 \$ milliards. Cette dette, comme il l'a mentionnée, représente vraiment environ 10 000 \$ par famille ontarienne. Aussi, il a mentionné que chaque nouveau-né en Ontario est responsable d'une dette de 3 000 \$ à la naissance.

Lorsque je regarde que nous accumulons cette dette de 38 \$ milliards depuis 50 ans, l'Hydro Ontario était sous la gérance d'un gouvernement conservateur pendant 82 % du temps.

Interjection: Shame.

Mr Lalonde: Shame on the Conservative Party.

N'eût été la position du Parti libéral de l'Ontario avec son chef Dalton McGuinty, jamais nous n'aurions pu annoncer au public le fiasco ou vraiment la méchante administration qui régnait au niveau de l'Hydro Ontario. C'est nous, le Parti libéral avec Sean Conway, le député de Renfrew-Nipissing-Pembroke, ainsi que Dalton McGuinty, qui avons fait sortir à travers la loi sur l'accès à l'information publique le fiasco qui existait chez M^{me} Clitheroe, qui était payée à 2,2 \$ millions par année, ses 300 000 \$ pour sa limousine, ses 330 000 \$ pour son bateau, ses 174 000 \$ pour son auto, ses 172 000 \$ pour les dépenses qu'elle encourait ça, c'est une bonne administration ? C'est pour ça qu'aujourd'hui nous devons payer cette dette et que nous essayons de rembourser cette dette dans 10 ans.

The Deputy Speaker: Comments and questions?

Ms Martel: It's a pleasure for me to participate in this debate tonight. Are the words "We told you so" ever appropriate this evening. We told the Conservatives so, we told the Ontario Liberal Party so, that energy deregulation and privatization wouldn't work, and all along the Conservatives and the Ontario Liberals supported privatization and deregulation. Look at the fiasco that we are here now trying to deal with.

You see, Speaker, it's not just a question of incompetence, because the Liberals have tried to hide their support for privatization and deregulation behind the code words, "This government is just incompetent. If only the Liberals had been in power, there wouldn't be such a fiasco."

The fact is, it's not just a question of incompetence; it's a question of deregulation and hydro privatization not working—not working here in Ontario, not working in the UK, not working in Montana, not working in California, not working in Alberta. Are you surprised that we're here tonight dealing with this mess? Because that's what you're trying to do. Now you've got to bring a bill in to massively intervene in the economy because of the fiasco created by your policy, which was supported by the Liberal Party as well. That's what we're doing here tonight. All this blah, blah, blah about trying to protect the consumer—look, Minister; look, I say to the members of the Liberal Party: if hydro deregulation and privatization was really working, we wouldn't be here tonight trying to put in price caps and rebates and trying to fix the mess. We wouldn't have to be doing any of that because it would be working so well.

There is only one thing to do: kill the hydro privatization beast. Kill the dirty deal now. Get back to accountable public power.

Interjections.

The Deputy Speaker: I think if it's all right, we'll just take a minute and you can get all those yelps and squeals and howls and everything out so that the next word I hear that isn't from somebody who has the floor, I can ask you to leave.

The Chair recognizes the member for Northumberland.

Hon Doug Galt (Minister without Portfolio): Thank you very much. I recognize the terms that you use to refer to the noise, and it's obvious that you are from a farm. I appreciate your getting that kind of control before I speak.

Interjection.

The Deputy Speaker: I'm naming the member for Windsor-St Clair, Mr Duncan.

Mr Duncan was escorted from the chamber.

Hon Mr Galt: I want to compliment the Minister of Energy and the Minister of Finance for two excellent presentations that we heard here this evening.

First, the Minister of Energy and his comments about the alternate fuels and what they're going to be able to do to bring forward green energy and some of the steps that he has taken to bring those aboard following the select committee's report—a committee report that was supported by all three parties. That has to be a first here at this Legislature. The enthusiastic members on that committee brought through a lot of good recommendations that the Minister of Energy is bringing in.

Also, listening to the Minister of Finance talking about the jobs: 1.8 million net new job in the last seven years. Just think about it. Of five people with jobs walking down the street, one of those jobs has been created during the last seven years. What happened in the five years before we took office? Some 20,000 net lost jobs in the province of Ontario. That's a record this province of Ontario had. In the last seven years, 1.8 million net new jobs. That's over a million people who came home and said, "Guess what. I just got the job."

Mr Alvin Curling (Scarborough-Rouge River): It's so difficult to keep quiet when you hear the waffling going on over there. I heard the NDP—it's rather surprising, and I don't really want to attack the NDP. Their record speaks for itself, because they have gotten us in a worse mess.

The Minister of Energy and the Minister of Finance are bragging about things here. What does it say here? They'll promised us lower rates; they gave us a higher rate. They promised less debt; now we have bigger debts. They promised better service. Where are we today? We have brownouts and worse service now. Then they promised that they were going to get more supply and they didn't know where they were going. We have less supply and the Minister of Energy's ignorance is going up in the matter, not the supply. And then they said what was happening today—they want to make sure that we pollute the place regardless of any sort of a concern about the pollution.

Where are they going with all this? They don't know where they're going; they're waffling all over the place. The Minister of Energy was flipping here and flipping all over the place. Have you ever seen a live fish on shore? You're flopping all over the place.

The NDP, when they got hold of hydro, decided to buy a rain forest in Cost Rica, and the rates went up 40%. The people in Scarborough-Rouge River are just in shock. The small businesses there are going out of business because of the mismanagement and what both of these groups have done.

I want to tell you, when the Liberal Party gets into power, what we promise is to make sure that we're going to have some supply.

Of course, they had to go on and flip and change their position now, and they are bragging about what they have done. You should be ashamed of yourself for putting us in the terrible position that we are in today.

The Deputy Speaker: The Minister of Energy has two minutes to respond.

Hon Mr Baird: I want to thank the member from Scarborough-Agincourt for voting for this bill and I appreciate Dalton McGuinty's support of this bill. I didn't think we'd initially get it because he said it was wrong, he said it would add to debt, he said it was a knee-jerk reaction and on the same day as he changed his mind the Ontario Liberal fund said, "He had the courage to make his decision and stick to it." And then he went out and changed his mind again on the same day.

I thank the member from Scarborough-Rouge River. I want to thank the member from Northumberland, who did a heck of a good job on the alternative fuels committee. I only wish I could have joined that committee. I would have become friends with the member from Northumberland and my friend from St Catharines.

I want to thank the member for Nickel Belt. She said we wouldn't be here debating this bill had we done things the old way. We wouldn't be here debating this bill; we'd be out selling bonds—\$3-billion in new debt. I know for the member for Nickel Belt that's a drop in the bucket, because she borrowed \$50 billion or \$60 billion

when she was a member of the executive council. So \$3 billion was nothing; that was chump change for the NDP. We intend to deal with the problem and we have the courage to follow through on our commitment to the open market.

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I want to thank mon cher collègue le député de Glengarry-Prescott-Russell pour ses remarques. He says the PCs are responsible for the Hydro debt. My mother wasn't even born when the PCs came to power in 1942, and we've been criticized for going back to the 1980s. The PCs came into power in 1942. So when he goes back to this debt of 50 years, not only was I not born; my mother wasn't even born.

I want to also thank some people who are here—Cynthia Brandon, from the ministry, who has worked hard; Paula Day; Suzanne Bezuk; and I also want to thank all the good ushers, like Yvonne Palkowski, for their hard work.

The Deputy Speaker: Further debate?

Mr Bradley: I'd like to ask for the consent of the House, first of all, to stand down our lead.

The Deputy Speaker: Is there consent? It is agreed.

Mr Bradley: Thank you very much, Mr Speaker.

I'm going to try to bring some rationality to this particular debate this evening, but first of all—

Interjection.

The Deputy Speaker: I'll not warn the member for Don Valley East again.

Mr Bradley: First of all, I must make some comment on what I've already heard. It is amusing beyond belief to listen to the Minister of Energy talk about flipping and flopping, when there was a major government turnaround, a 180-degree, or maybe 360-degree, turnaround on this issue.

I listened during the leadership campaign, because I'm interested in those things, to all the candidates. When my friend Mrs Witmer made some suggestion that perhaps they should step back from privatization and from deregulation, everybody jumped on her over that issue, including the present Premier today. In fact on the road, not the road to Damascus but the road to Mississauga, there was a major change in government policy which certainly—someone from the NDP described the government as socialists on that particular day. So I now know why the Minister of Energy was flipping waffles one day during the campaign: to describe the present Premier. They had to buy a trampoline for him so he would do the complete flip that took place.

What is interesting, however: I thought there was a good column in the Toronto Star today by Ian Urquhart—sometimes I agree with Mr Urquhart; sometimes I don't—talking about one party changing a position, and the government seems to want to fade into the background on doing that. The NDP is sitting there waiting to say, "I told you so." They had some problems when they were in power as well, I must say. I remember when they were on that select committee and they were leaning in this direction.

By the way I objected, I must say, now that I mention the NDP, to trying to blame Floyd Laughren, as the chair of the Ontario Energy Board, somehow for these prices going up. I think what everybody in the province should know is that the rules for the energy board are set by the government. The amount of resources they have, the toughness that they can demonstrate, is really under the control of the government of Ontario. So I didn't mind when the Premier accepted my suggestion. I wrote him a letter and said, "Why don't you strengthen the Ontario Energy Board, give them more resources." I didn't mind when he said, "OK, I agree with that suggestion," just as he has now agreed with a number of other suggestions that we have made. Although he denounced them initially and said they were unrealistic, the Premier is nice enough now to adopt almost on a daily basis some of the suggestions that have come from the Liberal Party and even from the New Democratic Party. That's nice to see.

I remember the great fanfare with which this government announced its policy. The then Minister of Energy, my friend Mr Wilson, was extolling the virtues of deregulation and extolling the virtues of privatization and telling us, of course, that the rates were going to go down and that we'd have more supply and that everything would be fine for the province. Then, when that didn't work out, the blame game started. Just as over Walkerton the Premier, first of all, then Premier Harris, blamed the NDP, then he blamed the local municipality and then he blamed three of four other people before he started to understand that the blame was largely on his desk.

Well, to start out as well with the blame game: first of all it was the local utilities' fault; they were the people really gouging the people of the province of Ontario. Then, as I say, it was the Ontario Energy Board which was not doing its job, according to the government. Then they blamed the weather; then they blamed old Ontario Hydro—they were looking for somebody to blame—they blamed the farmers; they blamed people for complaining, when in fact it was the policy and the way in which the government implemented its policy that brought about the disaster that took place in July, August, September and October, until the Premier went to Mississauga and did the major flip-flop on this particular issue.

I just wanted to put on the record that I don't accept any lectures on flip-flopping from a government that did a 180 degree—I'm going to say a 360 degree—turn on its issue. I don't, as you know in this House, spend a lot of time criticizing previous governments and the NDP. I'm not the one who mentioned that the rates went up 40% when the NDP was in power, because that's in the past; or that the Manitoba contract, that was signed by the Liberal government, which would bring relatively cheap and clean power into Ontario, was cancelled by the New Democrats. That's in the past. I don't want to dwell in that particular aspect of it.

I do want to look at where we are going to be going, however—and how we got there. The real change in policy really came about—and I am pleased to say it shows that democracy from time to time can work—

when people were phoning the constituency offices of everybody except the member for Etobicoke Centre, complaining about high rates. There were some genuinely sad stories out there: people who were on disability, people who are low-income or on fixed incomes, who saw their bills going through the ceiling, and they were calling all of us.

It wasn't just the opposition; they were calling the government members and so on, saying, "What on earth has happened? What can we do to stop this?" I had not seen such a barrage of telephone calls as I saw on that issue, in some period of time, and letters, and now of course we can get e-mail. There are a number of ways they can communicate with us. People you'd stop at the grocery store or something like that, the first thing they would want to talk about was their hydro rates. What was happening, I think it was particularly interesting: it wasn't simply hydro rates that were going up; they would tell you about their car insurance rates going up or their house insurance rates going up. They would talk about natural gas going up, particularly the people who were being served by Union Gas in this province. They would tell you that when they went to the pump to buy gasoline, more often than not the price was way up. It does go up and down, but more often than not it was way up. They looked at the municipal taxes and municipal user fees and said, "By gosh, they've all gone up as well, and it's pretty tough because we're talking about basics."

So I think the government saw that it could not sustain this politically. I was I guess one of the few people who—I was talking to a number of people the week before the Premier made his announcement in Mississauga and I said, "You will see this government do a 360 degree turn." They wouldn't believe me. They said, "No, no, they will tinker with it; they will tamper with it." My prediction was that it would be a complete turnaround on the issue. I think it was a political judgment that was made. Certainly, we're in the political milieu, I must say that, and it was a political judgment that was made at that time.

It will be difficult, quite obviously, to implement a lot of the provisions in this bill, but some of the provisions are in fact what some of us have recommended for some period of time. I think one thing has not been emphasized enough in years gone by—since the latter years of the Liberal government and the NDP government, where there was some effort being made even by Ontario Hydro, at the direction of government, to get involved in serious energy conservation. That's one thing we have to do. North Americans have not been easily turned on to energy conservation, though you will recall, Mr Speaker, back during the oil crisis I think of 1973, when the oil taps were turned off in the Middle East, we decided at that point in time, as a society that we would produce vehicles that would consume much less gasoline, and we looked at a lot of ways of improving our efficiency.

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There has to be a major effort made in that direction. The government has nodded to that in its bill. I don't think the government has gone nearly far enough, but I

think they recognize at long last that energy conservation—that is, trying to deal with the issue of demand—is going to be important.

Every one of us who sat on the select committee on alternative fuels commented on that. We had lots of alternative fuels being proposed and alternative forms of energy, and that was good. But one of the things we all recognized was the importance of getting involved in true energy conservation: individuals in their homes, their places of work, their personal habits trying to find ways to conserve energy. That's going to be important because we have to try to manage the increasing demand.

Second, we're going to have to bring on some alternative ways of producing electricity. One of the reasons I was attracted to having some new companies in the business was that in fact I saw that as an opportunity for what I call the green groups, the co-operatives and other small companies that could come on the grid and bring on green electricity. I don't think that's something Ontario Hydro or, as it's called now, Ontario Power Generation does particularly well. I know they have their one big windmill. It's more of a symbol than anything else.

But I must say there were a lot of small companies out there, people who are really concerned about energy conservation and alternative fuels, who had some good ideas. I would like to have seen them on the grid in addition to the major public power which would be Ontario Power Generation, be it a number of public power companies or Ontario Power Generation as it was.

We in St Catharines, for instance, have a generator that generates a small amount of electricity for our community. That's not Ontario Hydro, but it is allowed on our grid. There are what we call non-utility generators. I think a number of them came on stream when the NDP was in power. They were very expensive, but they did come on stream at that time.

We have cogeneration that can take place where large corporations, for instance, that are involved in an industrial field may use energy for themselves and when they're not using so much of it can put it back in the grid, and that makes all kinds of good sense.

Are there incentives that should be provided to try to get people interested in these things? Yes, I think those kinds of tax incentives and financial incentives can be useful. I may quarrel with the individual ones that are chosen by the government, but I think there is some merit in those.

It's very important, however, to keep Hydro One, which is the electricity grid—if you think of it like the 400-series highways—in public hands. I have a fear that the government, which will want to go into the election telling us they have a balanced budget, will in fact want to have a fire sale and sell, as they say now, 49%. At one time, they were going to sell the whole thing. Now it's 49%, and I worry about that. I think that's one that even people who like somewhat of an open market would like to see remain in public hands.

If they're going to sell it, one of the suggestions that has come to me—and some of my colleagues may have

seen the same thing—was, I've had smaller utilities say to me, "If they're going to sell Hydro One, sell it to us. We think the main transmission lines should remain with Hydro One," say these people in the smaller utilities, "but if you're going to do any selling, don't sell it to the private sector. Make sure we get a chance to purchase some of those transmission lines, the smaller ones that are out there." That's a possibility that you would have.

The only game in town now, practically speaking, is going to be Ontario Power Generation. Because of what has happened, government is now going to have to order Ontario Power Generation to do a lot of things they wouldn't do before. That's unfortunate because over the years—and some of my friends who have sat in government in the NDP, the Liberals and the Conservatives will remember—they were not always easy to deal with, Ontario Power Generation or the predecessor, Ontario Hydro. Many times I thought the information—let me put it, as we do, diplomatically in this House, Mr Speaker—they provided to governments was not always as accurate as we would like it to be, even to legislative committees. I can recall information which I could classify as factually incorrect that was provided to each of the governments. It's going to take a lot more direct control of this particular corporation to get the capacity on-line.

One was the announcement of Beck 3. What was interesting was that my leader, Dalton McGuinty, and I were down in the Niagara Falls area, and we were talking about this, looking over the Beck generating station that exists, and we said, "You know, we should proceed with the Beck project." Do you know what the answer was at that time? There were a lot of people who were making rather unkind remarks about that suggestion. Then I see, large as life, the fellow who was flipping the waffles during the campaign along with the Honourable Tim Hudak, the Minister of Consumer and Business Services—I think he was part of that—

Hon Tim Hudak (Minister of Consumer and Business Services): I don't remember.

Mr Bradley: He doesn't remember that. They have bad memories of those times. There he was announcing it. The local media asked me about it. Instead of being critical, I said, "Well, I'm quite happy to see them implementing Liberal policy, proceeding with a hydroelectric dam"—in this case, a tunnel, perhaps a new station, because there's going to be a study of whether the project can be enhanced from what is now projected. It's a project that was announced in 1998 by this government and cancelled after the election in 1999. I'm sure the timing was coincidental. But it's a good kind of project we have to proceed with. All the environmental assessments are done on it. It's a great thing. The planning and the engineering are done; they simply have to proceed with it. I was glad to see that after the new czar of alternative energy, the member for Scarborough East, denounced Dalton McGuinty and me for making this announcement—and even my friend from Niagara Falls, who I know in his heart of hearts was really a supporter of this, said it was impractical—well, a month or six

weeks or so later, they're down announcing it. I have to be happy.

Whenever I see the government adopting suggestions we have made, I have to say I'm not one who gets angry with that or is perturbed by it; I say it's good. When I see the government taking good ideas from the opposition and implementing them, even though they don't want to do it, even though they've been forced to do it, I think that's good; I'm happy about that. I'm not a person who is angered by that.

I think we had a lot of good suggestions in our select committee. The Chair is here this evening. He did a good job, I thought, as chair of that committee. We came up with a lot of good suggestions that, frankly, I want to tell members of the government caucus, would go a long way to meeting the Kyoto commitments. If you implemented all of the recommendations—I'm not saying it's easy to do that—in that report, you could easily, in my view, meet whatever targets we would set for Kyoto, because there were a lot of good suggestions in there. The Chair, who had a chance to speak for a couple of minutes in response a while ago, mentioned that in fact there were a lot of good suggestions, there was unanimity. Sure, we may have quarrelled about details, and we may still quarrel about some of the details. Nevertheless, there were a lot of good suggestions in there that, if implemented, would be very helpful.

I saw a situation where there was an obvious need for rebates for people who had really been hit hard by this: small business people, individuals on disability, people of low income, really, everybody out there who is having unprecedented high bills. That's why we in the opposition get up daily to urge the government to do so.

The cap is going to be on now. That will help people until the year 2006. I think we know that's going to be a cost, because it's not going to be power at cost; it's going to be power below cost. So that will build into the debt, but the debt may be able to be managed in that regard.

I think we recognize that people were looking for that kind of stability. The government did not want to move in that direction; I understand that. It was very resistant, initially, to move in that direction, but it found itself in an untenable position. Again, I commend the public who voiced their concerns to all of us who are members of the Legislature about this and forced the government to take action.

I know that the local commissions are not very happy today, because they were given a set of rules to work under, and those rules have changed substantially at this time. A lot of them, of course, have to buy their electricity up front, and then they have to get it from their customers in the billing process. So a lot of them have incurred some considerable debt simply by having to purchase electricity at very, very high rates.

There's the issue of capacity out there, of generation, that's going to be important. Where do I think that can come from? Well, I think we can try to get a contract with the province of Manitoba again. I think we're obviously going to have to use some of Quebec's power

as part of it. We're going to have to generate some of our own power. I'm excited about projects that involve windmills, which will produce a lot more electricity than people think.

Solar power: another member of the committee is with us now and would remember that we saw examples of solar power where there were panels on major public buildings. I think the goal for governments is to ensure the electricity they use is green electricity, to the largest extent possible, setting up a renewable portfolio standard. All of these are areas in which we should move.

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I guess we've had our fun, and we still have to have a little more fun, I think, because the NDP will want to be "holier than thou" on this, with perhaps a little bit of justification, they will say. But I think we have to move on from this now and say, "So how are we going to solve our problems?" Generating that capacity is going to be important. We're going to have essentially one option at this time, except for the green power, and that's going to be to order Ontario Power Generation to undertake certain projects. For instance, natural gas is going to play a role, not in the longest term; in the medium term. I think there's a recognition out there that coal is, as *The Economist* said—and *The Economist* is no paper if it's not a Conservative business magazine. In the July edition it said that coal was enemy number one of the environment. So we're going to have to get that coal phased out. I think we can do it by the year 2007. Others say it cannot be done, but I know the new czar of alternative energy will be working hard toward that goal because he was, on the committee—you're not supposed to tell secrets on the committee, but he was quite aggressive in the stance he took, and I was pleasantly surprised by that.

That's my contribution this evening. I hope others have a positive contribution to make to this issue tonight.

The Deputy Speaker: Comments and questions?

Ms Martel: I'm going to try and make a positive contribution. I like the member from St Catharines. He has been here for a long time, and for a lot of those years he had to deal with the former member from Sudbury East, and anyone who can deal with the former member from Sudbury East for a number of years deserves some credit.

I listened really carefully—I did, Jim—to what you were saying, and I have to tell you I still don't know what the Liberal position is on this issue and I'm trying hard. I don't think the green energy, which we do need, is going to deal with the supply problem. I think our supply problem is a whole lot bigger than that, and I'm not convinced that Pickering is going to be on-line in time to deal with this situation.

I also listened to you say very clearly, "Let's move on from here." That's what we've said, and our idea of moving on from here is to kill the dirty deal. Admit once and for all that hydro privatization and deregulation have been a colossal failure, an absolute failure. It has been a fiasco. It is only because rates went out of control and people were gouged so much that this government was

finally forced to respond. I think this government should go the next obvious, clear step, which is to say, "Do you know what? This experiment didn't work in California, it didn't work in Alberta, it didn't work in Montana or in the UK and it didn't work very well in Ontario either." Instead of using this bill tonight to try and cover up that fiasco, to try and cover up how people got gouged and would continue to be gouged under hydro privatization and deregulation, the obvious thing to do next, to move on from here, is to end hydro privatization and deregulation and return to a system of public power, where we know that supply will be stable, where we know that prices will be affordable and where we know that Ontarians will get electricity when they need it at a price they can afford.

Hon Mr Galt: I never imagined in my wildest dreams that there would come a day when I would actually agree with the member from Nickel Belt, but it's here this evening. She was referring to the member from St Catharines and his speech of some 20 minutes, and trying to figure out what the position of the Liberal Party is on energy. I listened as well, and I've watched. Even their Web site last Monday said, "Events coming soon," or "Position or policy soon to be announced." Well, the next day they bounced in a great big position. I don't know if they consulted or if they just dreamed something up, or if it was the one that was in fact on the Web site a week before. But again, and I hate to admit it, here is a party, the socialist party of this province, that actually had a position, and they had a bus and they really worked. The Liberal Party, I still don't know what their—they're flip-flopping faster than a bass on a hot dock in the middle of the summer. Dalton McGuinty changes his mind. You know what the position is while he's saying it, but you have no idea what it will be in another five minutes, if in fact they'll have one.

I thought the member from St Catharines described the grid quite well, comparing it with a 400-series highway. I thought that was kind of neat. I thought he would have spent more time on alternative fuels. He was a pretty enthusiastic supporter of them. I know why he steered away from talking about what happened to the hydrogen institute back in 1986, when the Liberals came to power in Ontario. They dismantled it and all our scientists went to Vancouver. As a result, the hydrogen institute out there has taken off and hydrogen fuel for the future is certainly going to be a big issue. I do agree with the concern he expressed about coal. Certainly coal-burning plants are a big concern.

Mr Mario Sergio (York West): I have no idea if it's the arguments of the evening or if it's the hour of the night, but I'll tell you, after listening to my colleague from St Catharines, Mr Bradley, my throat feels much better. He has made such a wonderful, diplomatic summation of why we are here.

In a sense, what Mr Bradley said is that it has taken seven years of blindness of this government to bring them to their senses. In only a few months, the hydro issue has been sensitized to the point where the people

have said, "Enough is enough." What Mr Bradley has said to the government is that they had no choice. That is why we are here debating this bill today. The government has been cornered by the people of Ontario, from family members, family workers, farmers, small and medium businesses to seniors. Everyone in the province of Ontario has said to this government, "We've had enough. You've bungled this issue so badly that you've got to do something." Do you know why? What my friend Mr Bradley from St Catharines has been saying to the government tonight is, "Hey, you guys, you have no time. You have to do something."

So don't come here with this bill tonight and say, "We are ready to go. Give us your approval for second and third reading." Where have they been? You've been here for seven years, and now that the people have finally said, "Oh, my God, what are they doing to us?" you say, "Give us your approval, because the holidays are coming, spring is coming and maybe we will have an election. Then we may have another very hot summer; we're going to have a serious problem." I think you do, and the people of Ontario know it.

Mr Tony Martin (Sault Ste Marie): I want to comment on the speech by the member for St Catharines. I always enjoy following on his interventions in the House. He rightly pointed out that this is a very challenging undertaking, this whole question of what we do about Ontario Hydro and hydro in general in the province, and he made the comment that we would be "holier than thou." I want to suggest to him that that's really not what we're about here in this caucus. We know that it's a big challenge. When we were the government, we struggled with it.

We had Maurice Strong working with a good friend of mine, a neighbour and colleague, Bud Wildman, trying to come to terms with Ontario Hydro. We never for a second, though, considered anything other than public power delivered by the public sector. Even though at the time we responded to a different set of circumstances, an economy that was slowing down significantly, and made decisions that reflected that, we did on the other hand have a plan in place that would have seen the working down of the debt of Ontario Hydro over a period of time, because we believed that Ontario Hydro had the capacity and the ability to do that, given the opportunity, in a good economy, if we were focused and disciplined in that. We still think that that can be done; we think there are opportunities out there to generate more electricity using some of the potential across the province. It doesn't have to be nuclear. As a matter of fact, we'd prefer that we move away from nuclear altogether, and coal-generated. We think Ontario has the capacity to do that, publicly run, though, and in the public interest.

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The Deputy Speaker: The member for St Catharines has two minutes to respond.

Mr Bradley: I appreciate the moderate response of the member for Sault Ste Marie, who is always a very reasonable individual in this House in his response. I thought I was very clear in outlining all the good sug-

gestions that we had to deal with the electricity situation in the province of Ontario. I know that members who felt that perhaps it wasn't there will consult Hansard and will certainly see that.

I'm not going to read all of the things I'm supposed to say about the NDP in here because the member for Sudbury is speaking next and I don't want to provoke her too much. Her father and I probably both sat on committees that looked at Ontario Hydro over the years, and I'll tell you there were a lot of problems with that particular company that all of us identified and were critical of. We hope that that will change substantially as we move forward.

It's clear that we have to have more supply. As the members think, each of the interventions has been very helpful, if not always agreeable. We have to move forward and we are going to have to instruct Ontario Power Generation to move forward. There's some hope that some of the local utilities that we have in Ontario will continue to get involved in generation projects as well. We hope that, again, we can bring some power in from Manitoba. I know the NDP didn't mean to cut off that power from Manitoba and cancel that contract. It was because, I think, there wasn't a demand at the time that it happened, but that's something we can renew. I think in Quebec we can bring some of that in.

I'm very excited about the potential for alternative fuel. I think conservation has to be foremost in our minds in terms of reducing demand in the province. We obviously can't make ourselves uncompetitive by having rates that are way out of control. I think the rebate should be there and the rebate should be generous to the people who have been hard hit by this.

So I think we have to move forward from here. I am prepared to do that and make as many helpful suggestions as I can. I hope we have a select committee on hydro affairs once again to deal with matters of this kind.

The Deputy Speaker: Further debate. The Chair recognizes the member for Nickel Belt.

Ms Martel: I request unanimous consent to stand down the lead for our party.

The Deputy Speaker: The member for Nickel Belt would like unanimous consent to stand down the lead debate. In there consent? Agreed? It is agreed. The Chair recognizes the member for Nickel Belt.

Ms Martel: Thank you, Speaker. I'm sure some people had to think twice about that, so I appreciate that.

I hope the Minister of Energy is going to come back in here and listen to what I have to say because I had to suffer through about a half an hour of his remarks, and I'm sure he'd be very happy to suffer through mine because there are a few things that I'm going to say and I'm going to quote him a little bit here this evening.

But, you know, here we are; I have to say, "We told you so, we told you so, we told you so." How many times did we tell you, folks, Liberals and Tories, that Hydro privatization and deregulation wasn't going to work? We told this government all the way through the public hearings on Bill 35 through second reading, which we voted against, and through third reading, which we voted

against. In the last two years in particular, as we've been on our public power campaign, we have said it again and again and again, and I remember so many members of this government, the government House leader in particular, mocking us. Remember, Mr Martin? Remember Mr Stockwell mocking us, laughing at the prospect that energy prices would go oh-so-sky-high and people would be gouged oh-so-badly that this government would be forced to intervene in the way they have been?

Well, here we are, Speaker; here we are. We told you so. Because hydro privatization and deregulation hasn't worked in other jurisdictions. It has been tried. There was no reason that it was going to work in Ontario, and it hasn't worked. And here we are this evening, dealing with a bill that should be better called the "Failure of Hydro Deregulation and Privatization But We Don't Want to Admit It Yet Bill," or a bill that could be called the "Bribe People with Their Own Money Bill," or better yet, the "Dole Out the Dough Fast Enough to Take Us to the Next Election Bill," because what we're doing here tonight is proving, with this bill and its provisions, that hydro deregulation and privatization hasn't worked in Ontario.

The clearest indication we have of that comes from the announcement the government had to make on November 11 and comes in the form of Bill 210, which we are dealing with tonight. It's not the fault of Floyd Laughren that prices went up, as I heard the Premier of this province try and say a couple of weeks ago. It's not the fault of the weather that we've got high hydro prices. It's not an anomaly that we had a few really hot days and that's what drove the system out of control. It's not the fault of local utilities that we're in the mess that we are. It's the fault of this government for their philosophical bent which led us to the privatization and the deregulation of electricity—joined by my friends in the Liberal Party. I just had to say that. That's whose fault it is.

From our view and our perspective, it's not a question of incompetence. It's not a question of bringing it in badly. The issue is, it doesn't work and we should be here tonight with a bill that brings back public power that is accountable so that Ontarians, whether they're consumers, work in a hospital, work in a school, are farmers, work in big business, can be assured of a stable supply of electricity at cost. That's the bill we should be debating tonight.

The debate reminds me of the debate we had when the government deferred its tax cuts. You remember that, Speaker, in the budget of 2002. There was the Minister of Finance—and this goes back to the budget speech—saying on page 6 of the budget document, "Our government has pursued an aggressive tax cut plan for one very simple reason: tax cuts work." Then you go down three paragraphs and the Minister of Finance said the following, "In the meantime, because of our short-term fiscal situation, I will introduce legislation to delay, for one year only, the current planned reductions in personal and corporate income tax and the next step of the equity

in education tax credit ... We will also delay by one year planned reductions in education property tax rates."

The question then was, if tax cuts work so well, why was the government pursuing the deferral? If tax cuts work so well, the government in the budget should have been in here in June 2002 accelerating the tax cuts even further to get the economy working even further.

The debate we're having here tonight is the very same, because if hydro privatization and deregulation really worked, as the government says it does, we wouldn't be here tonight dealing with a bill that proposes massive intervention into the marketplace to bring prices down in order to stop consumers from being gouged. That's the fact.

If hydro privatization and deregulation really did work, we wouldn't be dealing with price caps; we wouldn't be dealing with rebates; we'd be dealing with a situation where the government was just going on its merry way, the competitive market was going on its merry way and everything would be hunky-dory. But the fact of the matter is, we're here tonight dealing with provisions to intervene because deregulation and privatization don't work.

I remember the hearings on Bill 35 because I participated in a couple of those. I remember the government saying—Helen Johns, the Minister of Agriculture, was the PA at the time—again and again in every community, "This government is firmly convinced that competition in the marketplace is going to bring hydro rates down." In fact, at every one of those stops our critic at the time moved a motion calling on the government to put that into the legislation. We said to the government, "If you're so convinced that competition in the marketplace is going to bring hydro rates down, put it in the bill. Guarantee that hydro rates will go down." Every single time we raised that, the government members voted it down.

The government members were long on rhetoric during that debate and very short on delivery because the fact of the matter is, since the market opened in May to where we were on November 11, it has been painfully clear and painfully obvious that competition didn't and hasn't brought down rates, wasn't going to bring down rates and the only thing that was happening was that people were being gouged left, right and centre.

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We said it wouldn't work. The evidence is very clear that it hasn't worked. We are here tonight dealing with all of those provisions to try and deal with this fiasco when in fact we should be dealing with a bill that brings back public power.

It is sad, sad, sad to see the minister, who is a true believer if there ever was one, it is painful to me to see the Minister of Energy, a true believer, be in the position he is, to have to defend this mess and have to bring in the kinds of provisions he has to bring in to cover up the mess, to cover up the fiasco.

I listened to some of his responses during question period, when he said, in terms of our questioning about what he was doing, on November 18, "The government

proposed a plan this past week to try to address the real concerns that a lot of working families in the province of Ontario had, not just with the heavy weight of the bill on their kitchen table—that's their hydro bill—"but with their real concerns and fears for the future as we approach the Christmas holidays and indeed next summer."

No wonder people are afraid. They started getting bills that were completely out of control, they had no idea how to pay for it, and all the time they were thinking in the back of their mind, "But this government promised me lower rates. That's what competition was all about. The government said my rates were going to go down." They're not only worried about the bill that was on the table. The minister was right: they were worried about the future, and they still are because all this bill does is try and cover up the mess and get the government through the next election. It doesn't deal with the root cause of the problem, which is that this scheme isn't working and is not going to work. So they're not only worried about the hydro bill, which this government now pretends it's going to deal with, but they are worried about the future. People know that we need to deal with the real problem, which is hydro privatization. As much as the government wants to cover it up and hide the fiasco, that problem isn't going to go away.

What else did the minister say? The minister said on the same day, "We're providing substantial assistance to the people in the province of Ontario." It must be painful for him to say that, because as a true believer he was one of those people who got up and said that people's hydro rates were going to go down, that competition was going to be oh, so wonderful. Now he's in the position of having to bring in legislation to provide substantial financial assistance to people because this scheme hasn't worked, the government plan hasn't worked, and now the public in Ontario, through their taxes, are going to have to pick up the pieces. That's how this works.

The government, after dealing with the rebates, has a lot of other problems they've got to deal with. They've got a huge supply problem. I don't think Pickering is going to come on-line on time. The government's got a real problem facing it this winter, I think. We saw the problem of six brownouts last summer on the very hot days. We're going to see another problem this winter on the very cold days, especially in the part of the province I come from. We don't have the supply of energy to deal with that problem. We're going to have brownouts again this winter, but it's going to be that much more detrimental to people because in northern Ontario at 30 below, if you don't have heat, you've got a serious problem.

But this government's also got a problem because one of its big friends in the private sector, British Energy, which is leasing the nuclear plant, is on financial life support. If it wasn't for the government of the UK now supporting them financially, they would be in a situation of bankruptcy. Isn't it wonderful how the private sector works? Don't you like that private sector investment? It's a good thing the UK government is supporting them right now or we'd have a serious problem in terms of the supply of power from that nuclear plant, wouldn't we?

The government also has a problem with market manipulation, because that's not going away either. That was one of the overwhelming problems we saw in California, which led to brownouts and blackouts because some of those private sector operators decided to have the plant down just a little bit longer, maybe a few days or a few weeks longer, so they could drive those prices up, so people got gouged even further. We still have that problem in Ontario under a privatized, deregulated market. We've already got companies that some of the hydro offshoot companies this government set up under deregulation are still investigating. That problem is not going away as long as we have a deregulated privatized market.

The stench of Enron hasn't gone anywhere. While the minister said we've had a problem in the last 18 months because the private sector hasn't wanted to invest and banks haven't wanted to invest because of the Enron scandal, that's not gone away either, and that's not going away. In a deregulated energy market, Enron-like manipulation occurs, and that's not going to go away under this bill. It's not going to go away until we get rid of deregulated power.

So the government's got all kinds of problems—in terms of supply, in terms of trying to attract new investment, in terms of market manipulation—and all of those things aren't dealt with under this bill.

What is clear is that we have before us a bill that really tries to bribe people with their own money. That's a real shame. I guess the government thinks they're going to be able to get away with that. I guess the government thinks that people are going to be so happy to receive their little \$75 rebate cheque—hopefully before Christmas, if this government has anything to say about it—that they're going to forget how much they were gouged and are going to forget that the \$75 doesn't even go halfway to dealing with the big bills they got in September, October and November.

While the government likes to think they're going to get away with it, I've got to tell about an experience I had in my own community. Just after the announcement was made on November 11—we were all home for constituency week and I was in my riding—I went to three of the post offices in my riding and handed out our new hydro leaflet, which says again that we need public power in the province of Ontario. I met two of the three people whose cases I had raised in this House. Cindy Bond, whose case I raised in this House, had seen her family's September hydro bill rise 62% in comparison to last September's bill. I said to Cindy Bond outside of the Capreol post office, "What do you think about the government's scheme? What do you think about your rebate?" She said, "I'm going to pay for that rebate one way or the other. It's going to come out of my taxes or come out of my property taxes. That's my money to pay for this mess." She's absolutely right.

Then I was up in Levack and I ran into Bill Hedderston. I raised his case in this Legislature. Bill Hedderston of Levack had seen his September hydro bill rise 36.3%

in comparison to his hydro bill last September. I asked Bill Hedderson what he thought about the government's plan to have a rebate and he said to me, "Keep on pushing public power. That rebate's my money. I've got to use my money to pay for this mess. What we need is public power."

The only person I didn't see as I was at the post offices, and I bet his reaction would have been the same, was Mr St Amour of Val Therese, who last year paid \$75.05 for his hydro bill and whose October bill this year was \$408.13, a 543% increase. I don't think a \$75 rebate cheque is going to take Mr St Amour of Val Therese too far.

But you know what was interesting? At least in my community, in very different parts of my riding, three different communities, people hadn't bought in and they haven't been bought off. They recognize that the money the government is going to need to do the rebate scheme is their money, their tax money, or it's going to be money that comes out of municipal coffers in the form of higher property taxes as municipal utilities try to cope with this situation as well.

What I think is interesting is that the government has yet to tell the public just how much it is going to cost to do the rebate scheme to try and cover up this mess, try and cover up this fiasco. I think it was interesting that on November 18, our leader, Howard Hampton, raised this question in the Legislature with the Minister of Energy. He asked him very directly, "How much of the people's money will it cost you to hide the cost until after the next election in Ontario?" The Minister of Energy said, "To very directly answer the leader of the third party's question, our plan fully balances itself over the next 41 months." Well, I want to know what the cost is: \$1 billion? \$2 billion? \$3 billion? If you want to give me a direct answer, tell me exactly how much this government thinks it's going to cost to keep the price caps in place for the next four years and to keep the rebates flowing. How much moolah? How much money?

2050

What we do know from Alberta is that in Alberta it cost Ralph Klein \$2.3 billion for rebates before that Alberta election to try to bribe people with their own money; \$2.3 billion in Alberta with a population that's not quite as large as ours, but with the same deregulated and privatized scheme of energy. How much do you think it's going to cost here? I heard the Minister of Energy talking about \$3 billion, saying that we just thought it was small change. Do you know what? Before we're finished, it's going to be a whole lot more of \$3 billion of the people's money being spent dealing with rebates, dealing with the price caps, instead of this government doing the right thing and ending hydro privatization and deregulation now, because that's what this government should be doing.

Do you know the other interesting thing? It's a small thing, a very small thing. On that same day our leader asked the Minister of Energy if he would tell us how much money the government was now spending on their

television advertising campaign to tell people how the government is going to fix this fiasco. It was interesting that just last spring the government spent \$2.3 million trying to tell people how good energy privatization and deregulation was going to be for them, trying to tell them that prices were going to go down, that a competitive, open market was going to mean a reduction in their hydro rates. That was \$2.3 million spent just last spring by this government trying to convince people how good hydro privatization and deregulation is going to be.

Do you know what? The Minister of Energy refused to answer the question. I wonder why. I still wonder how much of the public's money, because it's public money again, is now being used so this government can flood the airwaves and try to pretend for people that they have somehow fixed this mess. People are going to pay through the nose for this rebate scheme and for the price caps. They're going to pay billions of dollars before this is all over, unless—and I think this is what the government might do, just like they did in Alberta—they pay the rebate, get some money into people's pockets and call an election. Then, if you get in again, you just cancel the price caps, you cancel the rebate and you let those prices rise again and you gouge people some more. That's what they did in Alberta. I'm really worried that's what this government is going to try to do here.

We should be here tonight debating one bill and one bill alone: the bill to return electricity to public hands, not-for-profit hands, so that we have public power once again in Ontario. That is the only way we can ensure that in Ontario we have a stable supply of energy, provided at cost, for Ontario business, for Ontario farmers, for hospitals, for schools, for colleges and universities and for Ontario consumers. That's what we should be doing here tonight. Kill deregulation; bring on public power.

The Deputy Speaker: Comments and questions.

Mr Steve Peters (Elgin-Middlesex-London): In comment to the member for Nickel Belt, she raised a number of points this evening, but I want to go on the record and make one comment. It's extremely interesting to listen—it's almost like a pinball game in this Legislature: the ball is bouncing around, and the Tories are blaming the Liberals, the NDP are blaming the Liberals and blaming the Tories, and it bounces all around.

I think one of the problems we have and one of the things the public is sick and tired of, quite frankly, is the fact that governments of all stripes have let Hydro One or Ontario Hydro, as we know it, run rampant. We haven't reined Hydro in. That's a really disappointing thing that has happened in this province. The NDP can stand up and knock the Conservatives and knock the Liberals, but we had an opportunity with the NDP when they were in power to look to Manitoba to help meet some of our needs. But what did the NDP government go and do? They cancelled those contracts. That's a shame.

We've seen the Conservatives just totally bungle this whole issue of hydro deregulation. It's interesting the spin they're putting on it, trying to twist it to blame our leader and talking about our leader's flip-flop. I've never

seen a government flip-flop so much in their lives as this Conservative government has. We're not the ones who brought in deregulation; you did. You try and twist it that we're the biggest flip-floppers in the world, but it's you.

The one thing I really agree with the honourable member on is this whole question of advertising, because we've wasted thousands and thousands of dollars again. Do the right thing, government: let's call an election on this issue.

Mr Martin: I want to commend the member for Nickel Belt on an excellent speech, very focused, to the point and informative on this issue. Her insistence that the bill we should be debating here tonight is the bill to return power to public hands is absolutely right on.

I want to talk just for a couple of minutes in support of that, about, as she suggested, the cost to the consumer of this whole fiasco. She mentions higher rates, and she's absolutely right. It's not just the higher cost of electricity; it's all the other costs that are built in now for transmission, distribution and on and on and all the different pieces that are added to that.

The price of the rebate: we don't know what that's going to be. It's going to be millions of dollars—billions of dollars, actually, before it's over. Then she mentioned very briefly the advertising campaign we all watched. Anybody who was watching the Super Bowl this weekend couldn't help but watch. Every 10 minutes there was a huge ad explaining away the new initiative—

Ms Marilyn Mushinski (Scarborough Centre): Don't you mean the Grey Cup?

Mr Martin: The Grey Cup. What did I say?

Ms Mushinski: You said "the Super Bowl."

Mr Martin: Oh, sorry, the Grey Cup.

Interjection: A Freudian slip there.

Mr Martin: Yes, the Grey Cup on the weekend. Oh, man, I got caught, eh.

Anyway, the Grey Cup and the advertising they were running about every five or 10 minutes—I couldn't even focus on the Grey Cup; that's why I probably forgot what it was. All I was watching were these damn ads that were just driving me crazy, knowing I was paying for them, that everybody across this province was paying for them. How long are those ads going to run? They're still running out there. How much is it going to take for you to convince the people that they should be feeling really good about you having your hands in both of their pockets right now because of this fiasco?

Talk to the people in Wawa. Talk to the guys I'm going to meet with on Friday morning from Searchmont resort just north of Wawa, ask them how they feel about this and they'll tell you in a hurry. They said they're not going to pay their bills.

Mr Steve Gilchrist (Scarborough East): The member opposite would like us to talk about a different bill. Unfortunately, constrained as we are by the rules, we're talking about the bill that's before us here today, Bill 210.

She conveniently leaves out of her discussion the fact that the inspiration for this bill is not some last-minute

reaction to the issues that took place this summer. In fact, the substance and the bulk of this bill relates to an initiative that actually started over a year ago, back in the summer of 2001, when the government commissioned the select committee on alternative fuel sources, an all-party committee I hasten to say, on which were representatives of all three parties. That committee scoured the world for the most up-to-date information on what other jurisdictions had done to promote the use of green power, wind power, solar, biomass, geothermal, as well as to promote energy conservation. It tabled a report in June this year with 141 recommendations that covered 20 different topics.

The government had 120 days to respond and I'm pleased to say that within that time frame we did respond. The Premier, the Minister of Energy and the Minister of the Environment made it very clear that we were following the recommendations in that report. We have already turned around, in a scant few weeks, those pronouncements and turned them into the very specific piece of legislation that's before us here today, legislation that promotes the use of green power by offering the most comprehensive, the most aggressive package of consumer and business incentives and tough new product standards in any jurisdiction anywhere in North America.

In Europe, wind power is de rigueur. In Texas and California they're moving forward with green power initiatives. Ontario will catch them, we'll beat them, and this bill facilitates that. It's going to lead us a greener energy future.

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Mr Bradley: I'm extremely pleased that the member raised one of my favourite issues, and that is the issue of government advertising. What we have to recognize is that it is taxpayers' dollars being used for essentially, I think most independent people would say, a partisan message. If you look at the tricky wording of it, the clever wording that the whiz kids around the government try to develop, you will see that it's essentially a political message, a feel-good message, a message that tries to convey the impression that the government is on the side of the people.

We have to recognize that this party has more money in its war chest than any political party in Canada, federally or provincially. It has more money, millions upon millions of dollars, in the war chest. How did they get that money? They got it by appealing to the wealthiest people, the most powerful people in the province with their policies. They've been rewarded with that money coming into their coffers.

But does this government use that money, which is the money of the Conservative Party? No. It uses the tax dollars of individuals in our community, many of whom disagree with government policy. But that's not really point. It's using taxpayers' hard-earned dollars to advertise on such things as the Grey Cup. You will see it on other programs where they think there's a large viewership. That's very expensive advertising, and that money is coming out of the pockets of consumers. This comes

from a government that decimated the Ministry of the Environment, that made huge cuts to government departments which were trying to do good work on behalf of the people of this province. They have spent over a quarter of a billion dollars on self-serving government advertising.

I'm glad the member included that as part of her speech. I thought, in fact, that was the best part of her speech this evening. I commend her and the member for Sault Ste Marie for raising that issue of government advertising. I hope she continues to do so.

The Deputy Speaker: The member for Nickel Belt has two minutes to respond.

Ms Martel: I want to thank the members for Elgin-Middlesex-London, Sault Ste Marie, Scarborough East and St Catharines for their participation.

I just have to say, with respect to the comments made by the member for Scarborough East, who tried to say that work on this bill began a year ago with the work by the select committee on alternative fuels, please. He has to be the only one in this entire world who believes that.

We are here tonight because this government is facing a crisis. That's why we're here tonight. In the last couple of months, people started to open their electricity bills, and people were blown away because they had very huge and significant increases in their hydro bills at a time when this government had just finished using our taxpayers' dollars to have ads on TV telling them that the competitive market, the open market, was going to be oh, so good and result in oh, so reduced electricity bills. That hasn't happened. In fact, this government was facing a crisis in the last number of months, and this bill is a result of this government trying to respond to the crisis.

I disagree fundamentally with the response, because what it does is keep private electricity, deregulated hydro, in place. That is the root of the problem. Deregulated hydro and privatized hydro haven't worked in other jurisdictions. We should have learned from the experience in other jurisdictions. We should have learned about the rebates that Ralph Klein had to hand out in order to buy the election. Instead, this government is going to use billions and billions of taxpayers' dollars to try to cover up the mess, to try to cover up the fiasco instead of recognizing that hydro deregulation doesn't work and instead of bringing in a bill that would bring us public power again.

Our party, the New Democratic Party, has been consistent. We oppose hydro deregulation and privatization; we support public power. That's what we need in the province of Ontario again.

The Deputy Speaker: Further debate.

Mr Sergio: I'd like to join the debate on Bill 210, an act that amends a number of other acts which deal with the pricing, conservation and supply of energy.

Let me say at the outset that if there is one issue out there that the people of Ontario, from young to old, from rich to poor, from working families to business people to seniors to farmers—everyone understands very clearly the particular situation we have with so-called hydro.

We are here dealing with this particular situation, and people are saying, "You know what? We are tired. We know where we are because we pay the bills." And who knows better than the ones who ultimately pay the bills? I don't to have to tell you, because perhaps you yourself have received a number of calls or letters asking, "How come my bill is so high?" Small business people call and say, "Look, unless you guys do something, we won't be able to continue to pay these bills and continue to stay in business." Everyone has been affected and they are saying, "Do something." So perhaps, instead of going on and on, because people are saying, "We have had it with this issue ad nauseam. We want to see some stabilization of the situation, stabilization of the market, if you will. We want to be appeased. We want this particular situation alleviated that has been created, and we are still paying"—they don't want to know. The bottom line is, they're getting extravagant bills and they want something done. Maybe, instead of calling it the hydro bill which amends a number of acts with respect to conserving energy, we should call it the stabilization of the debt of deregulation, and get on with it.

What we have in this bill only tends to make people happy for a little while, and then we'll see, because it's full of uncertainties. I guess the questions that we also have to ask ourselves are, "What is it? How did we get here? Why, and where are we going from here?"

I don't think that the measures that have been suggested by the Premier in a very hasty way will alleviate the long-term fear of the people. We must be able to solve the situation that has been created and give the people the assurance that, yes, we can get through this winter and that, yes, summer is going to come, and I hope it's going to be a good, hot summer. After all, our people are looking for a good, hot summer so they can enjoy it. They're looking at our government to make sure they have enough provision, enough supply of that particular material that should be so rich here in province. So we don't have this long-term stability. We can't provide you with the content of this bill, that, "Yes, we will be assuring you that we will have a stable, long-term power generation in the province of Ontario."

We are here because this government for the past seven years has been too busy concentrating on privatization, selling and making sure that the big corporations get what they want. We have been creating more red tape than they took out. We are here because they fell asleep at the switch. They were thinking that by doing what they were proposing—selling, privatizing, splitting, selling Hydro One—they would solve the situation, they would keep the big corporations and their friends happy and they would provide on a continuous basis the amount of electricity to meet the needs of the people of Ontario: the residential, the commercial and the businesses, all together.

This is not new. This goes back to 1995, to the former Premier, Mike Harris, and then Minister Eves, and now to the Minister of Energy, and look where we are. This is a direct effect of the bungling, of the neglect of this

government when it came to dealing with hydro. They were too busy. They spent too much time concentrating on whom they were going to sell it to, how it will be split, how much we will sell, how we are going to privatize it. That was their main aim: deregulation. We knew it wouldn't work. We knew that, not because we had a magic wand, but because experience showed us it wouldn't work. And it didn't work. That's why we are here today, and that's why these hastily produced measures to appease the people of Ontario because of timing. And timing, I don't have to tell you, is of the essence.

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What did they do since 1995? My goodness, we had five years or more when the former Premier said, "Strictly privatization." It failed. It didn't go anywhere. We have a new Premier. They didn't know which way to go with the new ministers. How much time did they waste? Months. "It's on the table." "It's off the table." "We're going to sell 49%." "We're going to create a trust fund." "It's no longer for sale." "Yes, it is." "Maybe we'll join the private sector." "Maybe not." In the meantime, people were getting their bills and the pressure went on.

I have to tell you, we can rant and rave as much as we want, we can throw accusations from left to right and from right to left, but in the end, I think the people out there, the people of Ontario, are totally fed up with the way this government has handled a lot of things, but especially the hydro situation. We don't have to tell them anything any more. They are well aware of where they are and who's responsible.

Who changed their mind one more time is really immaterial. The question is, we have a government and we have a problem, and the problem was created by the government. Who introduced it? The government. Who told them it wouldn't work? Mr McGuinty, the Liberals, the NDP, the people of Ontario. But they kept marching on with deregulation. Finally, they realized they had nowhere else to go but to stop, take a second look, turn around, switch position, change their mind—that's OK. If compromise is the art of politics, then flexibility must be the art of listening to the people and of responsible government, for goodness' sake. So that's OK. Even the government is allowed to change their mind, as long as it is in the best interests of the people of Ontario. We are not saying this will solve the problem and that the people of Ontario are totally happy, but at least it's some measures.

I was appalled to listen to the minister say, "We've been fighting, we've been working, we've been listening to the working families, the farmers, the small business people, the seniors." Baloney. In the last seven years—and I promised myself that I would try not to raise my voice and lose it completely. I don't want to get upset, because I would upset the government side, and then we'd get into a brouhaha, and here's no need for that.

The people of Ontario know. They are saying, "When was the last time you spoke for the poor guy, the seniors,

the working family, the small business people?" You kept on going for seven years minding your own business. No one could make sense of you people. Now that the revolution is gone and the common sense is merely a blur in the past, they're saying, "We've been thinking of doing something for the people of Ontario." Baloney.

It is the situation. It is the timing. It is, if you will, the time we are in. They have no place to hide, no more time to run. The noose is getting tighter and tighter. So we may say, "OK. At least they are being responsible and listening to the people of Ontario." They've been paying through the nose, so now you're going to give them some of their own money back. You're going to keep them quiet. Well, it may be so. Some people out there may think so. I tend to agree with those people who say, "First you took it with two hands, and now you're going to give it back to us with one."

But that's OK; at least they are doing something. They are freezing the rates until 2006. That's OK too, no problem—anything that's good for the people of Ontario. Freezing the rates to 4.3 cents per kilowatt hour is OK. Not everybody is going to be happy with that, I can tell you, because a lot of people won't be getting anything. Not everybody is going to be getting that. People think, "Oh, everybody's going to get maybe \$75 and who knows what in the future." No, not everybody, because some people only paid 4.3 cents per kilowatt hour.

The problem is that there were so many other charges in there that affected the bottom line of their bill and, of course, there is no recourse on that unless the government goes after those companies and says, "You have managed to keep the hydro rate at 4.3 cents per kilowatt hour, but look at all the high charges here. What are we going to do about that?" No, the government is not going to do anything about that.

So, here we are. We are here today, but where are we going? Where are we going? Is the government proposing a solution where they are saying, "Well, we have created a mess, because now the generation stations are idle—they're not producing energy—and we're going to be using this for four years, until 2006, to create our own energy."

I think we have to send a message out there. I urge the government to send a message out and say, "Deregulation is dead; privatizing is dead; we are going to increase the generational capacity of our stations; we are going to produce more power publicly, with our funds, so we can have more power generation provided by us and in the domain of the people of Ontario."

I think we have to assure. I think it's important that the people of Ontario put their minds at peace and say, "Do you know what? It was a bad idea, but they are still flirting with deregulation or privatization. I hope, for God's sake, that they put an end to that and we get on with it, even if it's going to cost us some more money." It is going to cost us more money, \$300 million—the first batch, if you will. It's going to cost us \$300 million, let alone the damage that will follow, because we have no idea what the fallout is going to be.

But do you know what one major fallout is? Those partners, the ones in the private sector, in and out of the country, who were hoping to come into Ontario and build new generation, have seen the inaction of this government, the ineptness. They have lost confidence, and, let me tell you, they are gone. They are gone.

Unless this government picks up the ball and runs with it and says, "Mea culpa, we made a mistake, but let's go on from here. I think we owe it to our business community, we owe it to our people to produce our own energy and enough of it because we have the capacity. Let's get on with it"—let's proceed with that. I think we owe it to the people of Ontario and to the business community.

We could go on and on exchanging "Who blew it?" or "Who did what?" and running to damage control. We know that; I think the people of Ontario know. But we've got to get on with it, and the people of Ontario are saying, "We have the means. Let's do it." We had the means to build a wonderful highway, the 407, paid for by now, probably. With the value of that highway, we could have built another three highways. Can you imagine the wonderful things we could have done to improve this transportation mess in and out of Toronto, the GTA and many parts of Ontario with a few billion dollars?

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Before it gets worse, let me say to the government: you are where you are because of your own doing. It is something you cannot blame on the weather, on the opposition, on the market, on September 11. Let's get serious. It's something they had seven years to worry about, and they did nothing, so let's not blame it on that.

Let's get on with it and say that the best thing we can do is to produce enough of our energy at a cost that is acceptable to the people of Ontario. Let's get on with it. It is and it has been our position, as our leader, Dalton McGuinty, has been saying for a long time to this government, "No to the sale of Hydro One. Deregulation isn't going to work." Now that both of them are dead, he was right.

A long time ago, Mr McGuinty had the vision of telling this government how it would be possible to solve the situation without selling Hydro One. We came up with a policy. We told Mr Eves—we told Mr Harris—take it and run with it as long as you implement it without selling either one. There was no need to sell Hydro One. There was no need or intent to try to go that route. We have a policy. Mr McGuinty has expressed publicly what we would do with respect to—let alone the other issues of health care, education, all the other major issues. With respect to hydro, it is a major issue. I don't think, we on this side don't think—the government may think—this is an issue that is going to be gone tomorrow once we approve Bill 210.

I think the Premier and the government are making another big mistake. This is not going to go away unless it is addressed on a professional basis, with the people of Ontario in mind, by this government. Otherwise it's going to be here in the spring at, maybe, election time, or

in the fall at election time or in spring 2004 at election time. It's going to be here unless they take the bull by the horns and say, "Folks, it was a mistake. We were following a certain path that was not our own, but was the intent of others, and it was wrong. We understand that."

And that's OK. The people of Ontario are so benign that often enough they are willing to forgive and forget. I will leave it with this message, as I am getting short of speaking time. The people of Ontario are very benign, very understanding and very patient people. If the government were to come up with a reasonable proposal, a long-term solution where the people of Ontario could see the genuine intent of the government—come election time, maybe. Otherwise this issue is going to be here.

Dalton McGuinty, our leader, has said publicly and in this House what we would do as Liberals. We would do the right thing. Our position has been public. It's straightforward. It is solid. We would not go into debt with respect to hydro. We would produce our energy. We had the best environmental plan issued by any government. This will be our position as we move forward and as we deal with this particular issue.

The Deputy Speaker: Comments and questions?

Ms Mushinski: It's always interesting to listen to my colleague from the other side of the House. He and I used to sit on Metro council together and we shared a lot of common interests in terms of transportation issues. It doesn't really surprise me that he is trying to sort of avoid the inconsistency or, I guess, the other side of the coin as far as Mr McGuinty is concerned. It's interesting, and it bears repeating, that the last 30 seconds of my colleague's comments related to Mr McGuinty and what he believes in. It's difficult to know from one day to the next exactly what he does believe in.

For example, Mr Bryant on October 28, 2002, said, "Our position has not changed since 1997." But you look at the comments Dalton has made about the open market. The question was asked by the media, "What would you do?" Mr McGuinty said, "I think it's important that we move ahead with competition both in terms of generation and in terms of the transmission."

When you look at privatization, at private sector involvement in generation, "The only way we're going to get more made-in-Ontario electricity is to permit the private sector to come in and build made-in-Ontario electricity." Who said that? Michael Bryant on October 8, 2002. Exactly where do they stand?

Mr Tony Ruprecht (Davenport): I was listening very carefully to my friend from York West, and certainly to my friend from Scarborough Centre. In the past she always made sense, except now she's attacking Dalton McGuinty.

Let's look at the facts very quickly: the Common Sense Revolution woke up one day and they said, "You know what? There's a debt of over \$30 billion. Let's fix it." We said, "Yes, that's great. Let's have a look at it. Let's agree with it. Let's fix it."

The next thing they came up with was, "Let's sell Highway 407 because that is the way we're going to try to fix the hydro mess." What happened? Within one year that quadrupled. They should be ashamed of themselves for selling the 407 down the drain. The member for Scarborough Centre would know that so well. You sold the 407 down the drain. You could have made twice—no, three times—no, four times more money and you didn't. Is that good business? Is that a question of trust? No. If that is the way you're going to handle the hydro mess, then I say the member from York West is absolutely correct, that you can't be trusted.

You're pointing the finger over here. You're saying it's Dalton McGuinty who's changing his mind. You have made a big mess of hydro because you're going to go exactly the same way you did with Highway 407. But let's look at this. The first time you said, "We're going to make a refund."

Interjection.

The Deputy Speaker: The member for Scarborough Centre, come to order.

Mr Ruprecht: Why are you going to make a refund? Why are you giving us a refund? You know why? Because we pushed you into it. That's the reason you're giving people a refund. Your first adjustment was—it's going to cost us how much, the province of Ontario?

Interjection.

The Deputy Speaker: Member for Scarborough Centre, I'll not warn you again.

Mr Ruprecht: "It's going to cost us about \$700 million." Wow, way off. The next estimate that came in was over \$1 billion. The next estimate was \$1.8 billion. You tell us right now what the real cost of the refund money is you're giving to people. You give us the facts right now. You can't because you haven't even analyzed what it's going to cost us. This government can't be trusted—

The Deputy Speaker: Thank you.

Mr Martin: It's the second time today I've been able to speak following the member for York West, who comes to this House regularly to put on the record the concerns of his constituents, and so he should because the constituents of every one of us across this province are very concerned right now about what's happening in the hydro sector, in the energy sector.

They've seen their natural gas prices go up due to deregulation and privatization. They know what's happening in the gasoline sector because that's totally market-driven. Every time there's a long weekend, the prices go up. Every time George Bush talks about attacking Iraq, the prices go up.

Now in electricity many people are surprised that when you turn the system over to the private sector and deregulate it, you get fluctuation and mostly it's fluctuation up. It's increased prices for the commodity itself. You've now got people looking at their bills as the new bills come out, and they're realizing it's not just a commodity they're paying increased prices for but, as our leader, Howard Hampton, has said on so many occasions,

you're paying an increased price because there's now a for-profit portion of all of this on the cost of transmission, the cost of production, the cost of delivery, and on and on and on. The prices just go up.

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This government, instead of spending money on some of the transportation issues the member for York West spoke of in his jurisdiction, is spending it on advertising now to sell something, again, that is in complete contradiction to what they were marketing just a few months ago. The member for Nickel Belt spoke of that very eloquently here a few minutes ago.

The consumer is tired. You've got your hands in both of their pockets.

The Deputy Speaker: Comments and questions.

Hon Mr Galt: I certainly appreciated some of the comments that have been made here this evening. I heard the member for Davenport rant and rage. I never did hear what the member for Sault Ste Marie had to say, he spoke so softly and so low. I think he's ashamed of some of the policies and positions their leader has taken, although I do have to admit that his leader has taken a position. This is something the leader of the Liberals has not done. There has been no position.

All you have to do is look at their Web site. Last Monday, there was no position.

Laughter.

Hon Mr Galt: They can sit over there and laugh—

Mr Peters: I am laughing at you.

Hon Mr Galt: —but what they should laugh at is the position Dalton takes now, and then the position he takes 10 minutes later.

The Deputy Speaker: Order. You may laugh, but you can't talk. If you do it again, you're out.

Hon Mr Galt: I was just explaining when I had that bit of an interruption there about how the reporter the other day was asking Dalton about his position on power. He went away and came back 10 minutes later and asked him if he still had the same position.

On another occasion a reporter asked him, and this is pre-November 11, "What would be the right amount for a rebate?" Dalton said, "I don't know." Then the reporter said, "Well, you must have some idea. What do you think? What do you really think?" Dalton said, "I really don't know." What a position to take. He was very firm, he was very determined that he really didn't know. That was pretty obvious when you looked at their Web site a week ago Monday. It said something to the effect that the decisions or policy were soon to be on their Web site. Lo and behold, the next day they did have something there. I guess they instantly consulted overnight and did put one on there.

The Deputy Speaker: The member for York West has two minutes to respond.

Mr Sergio: My thanks to the members who have contributed remarks, especially the member from Northumberland—he's always on his feet answering and making comments, and that's OK; we accept them all—

and my good colleague from Davenport and the members for Scarborough Centre and Sault Ste Marie.

As I said, we can go leader to leader all we want, but let me say that there are times in the life of every government when it has to face the music. If they don't have an issue, they will try to fabricate one. If they don't have an issue, they will try to cause some crisis.

This is an issue which this government has not fabricated to go to the people of Ontario with. This is not a time when this government has created this particular crisis so they could go to the polls with it; it is not. It is an issue that perhaps even they themselves don't know how they happened to stick their nose into it. But they are there. It's the government. We have been trying to be

helpful with how to get them out of it for the benefit of the people of Ontario. They are still very adamant, and let me use the word "arrogant," a bit arrogant, as well, in failing to understand that we are in a situation—when I say "we," I mean the people of Ontario—and they don't care who says what, who did this, who did that. The only thing they know is that they are paying a very high price. We have seniors who don't know whether to pay their utility bills, buy drugs or buy food.

So let's get on with it. Let's do it right for the people of Ontario; I mean all the members.

The Deputy Speaker: It being well past 9:30, this House stands adjourned until 10 am tomorrow morning.

The House adjourned at 2135.

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