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The 27th Legislature  
Second Session

# Alberta Hansard

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The Honourable Kenneth R. Kowalski, Speaker

# Legislative Assembly of Alberta

## The 27th Legislature

Second Session

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## Legislative Assembly of Alberta

7:30 p.m.

Wednesday, November 18, 2009

[The Deputy Speaker in the chair]

**The Deputy Speaker:** Please be seated.

### Government Bills and Orders Second Reading

#### Bill 50 Electric Statutes Amendment Act, 2009

[Debate adjourned November 18: Mr. Horne speaking]

**The Deputy Speaker:** We still have four minutes under 29(2)(a) for question and comment.

**Mr. Hehr:** Who was it that spoke before?

**The Deputy Speaker:** The hon. Member for Edmonton-Rutherford was the speaker, and whoever can use that four minutes now.

**Mr. Hinman:** I asked a question that he didn't have time to reply to, I believe.

**The Deputy Speaker:** All right. Hon. Member for Edmonton-Rutherford, reply to the question.

**Mr. Horne:** Okay. Thank you, Mr. Speaker, and thank you to the hon. member for his question a little while earlier, just prior to adjournment. I believe the hon. member's question dealt with how under the proposed legislation government would seek expert advice in the determination of need for critical transmission infrastructure. I believe, hon. member, you were looking for clarification as to whether I thought that expertise was within us as individual members and within cabinet, and I think you perhaps misunderstood my remarks.

My point was that the responsibility for assurance that Alberta has the necessary infrastructure to move forward and to prosper under future economic conditions lies with elected Members of the Legislative Assembly and, in this particular case, with members of government. Obviously, part of that role and that responsibility involves seeking as necessary the required expertise from some of the professionals that you mentioned in order to make that determination of need.

My point, nonetheless, was that this is really not dissimilar to government's determination of need with respect to transportation infrastructure, infrastructure to support the education system, the health care system, none of which seem to have come under question in the current debate. I have every confidence that the government would seek that advice when exercising their authority under the proposed bill.

Thank you.

**Mr. Hinman:** I'd just like to respond to the hon. member, and I appreciate his forthrightness in coming forward. My question is whether or not he's aware – they've talked about being biased and whether there's bias present. He says that they're competent in doing that and that the AESO is competent in bringing forth its expertise. But we've had two rulings, one in 2007 in the Court of Queen's Bench, where the courts ruled AESO as being biased.

The most recent paper put out, the transmission upgrade discussion paper, by the office of the Utilities Consumer Advocate says

that the EDC analyzes many different aspects. Basically, they say in there that the AESO is unconvincing and overstates the sense of urgency and has a case of bias. So we want to take that from their words over the courts?

**Mr. Horne:** Well, Mr. Speaker, I suppose that if the hon. member wants to discuss the question of bias, we could probably have that in a broader context at some other time. I'm, frankly, not familiar with the information that the hon. member has presented. If he'd care to table it, I'd consider myself enlightened by that, but in the absence of that, in this debate, you know, I simply can't respond.

Thank you.

**The Deputy Speaker:** We have 54 seconds. The hon. leader of the third party.

**Mr. Mason:** Thank you very much, Mr. Speaker. I guess I just want to make a comment on what I just heard. The whole idea that there is a body of appointed officials whom you simply have to trust regardless of their qualifications, their experience, and so on: you know, the history of government in Canada is replete with examples of highly qualified professional people that have made tremendous errors. The fact that we should take their word for it on an \$8 billion expenditure beggars the imagination. You know, I can hardly wait for the Minister of Health and Wellness to . . .

**The Deputy Speaker:** Hon. members, we go back to the motion on the previous question. The hon. Member for Calgary-Varsity.

**Mr. Chase:** Thank you very much, Mr. Speaker. I'm going to frame tonight's participation in discussion with a line from a poem by Welsh poet Dylan Thomas: "Do not go gentle into that [dark] night. Rage, rage against the dying of the light." Considering that our discussion tonight has to do with rage and night and light, I'll break this discussion down.

Mr. Speaker, what I would like to do to begin with is suggest that this particular bill, Bill 50, is all about trust. We have a circumstance in this parliament where trust is lacking. It's lacking on both sides, so lack of confidence in our colleagues, whether they be on the government side, or their lack of confidence in us as members of the opposition. But because *Hansard* is an historical record and because a number of people don't have the understanding that underlies the democratic process, I want to begin by reviewing what happened today and link it to what's happened in previous days.

This afternoon, by a parliamentary sleight of hand, the equivalent of closure was invoked. It was a legal circumstance. As to whether it was an ethical one, that will be judged by future readers and participants. Basically, what happened was that any effort, whether it was from a government member or from a member of the opposition, to provide an alternative to Bill 50 in terms of providing extra time, as was the case introduced by the hon. Member for Edmonton-Highlands-Norwood – that opportunity to provide alternatives was lost. So we find ourselves now in a debate circumstance where no ability to discuss alternatives in terms of an amendment exists. We had an amendment that we would have appreciated having the opportunity to discuss. Unfortunately, that will not take place.

It hearkens back, Mr. Speaker, to Bill 46. Bill 46 was such a flawed piece of legislation that it took the government 24 amendments to try and get it right, and unfortunately not one single amendment was allowed from members of the opposition. Again, by a parliamentary sleight of hand in that case, closure was used. So we find ourselves tonight with limited options. We can use our 15

minutes to express our concerns to the best of our ability, but we know that at some point tonight the opportunity to discuss further, to provide alternatives in second reading will have evaporated.

What I want to talk about tonight is trust. I want to talk about confidence, and I want to talk about competence because that's at the basis of our discussions on Bill 50. Unfortunately, the general public, Albertans, will not get a chance to vote on something that is going to cost them billions of dollars. The only say they have is through their elected representative, and that's about trust. Now, when the individuals in constituencies throughout this province start receiving the increased electric bills, I would suggest that the trust they have in their elected representatives is going to be severely tarnished and diminished.

7:40

In the quote that I began, "Do not go gentle into that [dark] night," I want to start off with the word "gentle." This government for 38 years has had a very gentle ride. In the last election 72 MLAs from the government side were elected, and that is a cause for celebration among government MLAs, beyond a doubt. But when you look at what is happening with democracy in this province, the fact that less than 40 per cent of eligible voters for whatever reason chose to participate shows a lack of trust in the process. Twenty-one per cent of those eligible voters chose a government and 72 members.

**An Hon. Member:** How many chose you?

**Mr. Chase:** Well, a significant number chose me, more the second time than the first time, so obviously I offered something that they bought into. They trusted me, and that's the basis of tonight's conversation.

What we have seen is an erosion of the faith, of the trust in the government at this time. We have a wonderful example from Calgary-Glenmore of the lack of trust that the citizens and constituents of Calgary-Glenmore had in the current government, and that is just a sign of things to come. The hon. member's party has one person championing their cause. [interjections]

**The Deputy Speaker:** The hon. Member for Calgary-Varsity has the floor.

**Mr. Chase:** The hon. Member for Calgary-Glenmore has one person championing the cause of the Wildrose Alliance Party.

**Mr. Liepert:** How well did the Liberals do?

**Mr. Chase:** We did considerably better in Calgary-Glenmore, sir, than your party representative.

The point is that faith is being lost, and it's being lost rapidly. If you look at the latest polling results, your party is sitting at 34. Yes, ours is only at 21. We've got work to do. But the point is . . .

**An Hon. Member:** Relevance.

**The Deputy Speaker:** Hon. member, please address the chair and make it relevant to Bill 50.

**Mr. Chase:** Yes.

Speaking on Bill 50 and speaking on trust, I will continue where I began: "Do not go gentle into that [dark] night." We're now talking about darkness; we're talking about night. Bill 50 suggests that it's going to get a lot darker sooner than later because Bill 50 suggests that we don't have the transmission lines to provide the light and the heat and the energy necessary for this province to be successful.

Dark also suggests to me a relatively important fact, that 85 per cent plus of our current electricity is through coal power. That coal power continues to be a concern in terms of the number of respiratory ailments in this province, that outnumber any other province's. Our dependency on coal has to be changed, and that is what Bill 50 is talking about. Bill 50 is talking about continuing to do it the old way, continuing a heavy reliance on coal, continuing to put it up the stack and not worrying about the consequences as long as the lights stay on. Well, there are better ways to do things.

One of those better ways. We've had some discussion about natural gas and what happens if natural gas goes up to \$9 or \$10 a gigajoule. Well, guess what? That's where our coal comes into play. Coal, when gasified, is a much more efficient fuel in terms of the power it provides. It is a much cleaner burning fuel. These are the types of innovations that we need to be looking at.

Right now we have a gas glut, and it would seem to make tremendous sense to use that gas to generate electricity currently. There have been tremendous exploratory discoveries both in Alberta in terms of coal-bed methane – again the word "coal" – and there have been several discoveries in the United States about shale, which is loosely related to coal and the coal-bed methane process. So the notion that we continue to fire up inefficient coal-fired generators and then ship that polluted energy all the way down to the southern parts of Alberta makes no sense. The idea of long-distance transmission makes no sense unless the government has it in its mind to put that transmission into the States.

Now, I want to move on to the word "rage." "Do not go gentle into that [dark] night. Rage, rage against the dying of the light." Rage is what Alberta consumers are experiencing. Murray Smith in the late '90s, my predecessor in Calgary-Varsity – and notice the fact that I said predecessor – was given the plum posting down to Washington. He was rewarded for betraying Albertans by undermining the subsidies on transmission systems. Instead of it being shared with the transmission line companies, the whole cost of transmission lines was borne by the consumer.

Now, Murray's blunder cost us about \$9 billion. This particular blunder is going to cost us anywhere between \$14 billion and potentially \$20 billion. What will we have to show for it? We're going to have very expensive power bills to show for it. We are not going to own the utility. We're not going to share in the profits, that we have paid for to build the transmission, but we are going to pay the bills. We'll never own that right. It won't be a public utility as it was under a regulated system.

This afternoon we had people saying: well, Ontario and Quebec are paying for those utilities. In the case of Ontario, a large part of that bill deals with failed nuclear. In the case of Quebec, Quebec has just recently made a deal to purchase the transmission grids and the power generators in New Brunswick. So poor old Quebec and poor taxpayers, who are on the hook for, primarily, generated, cheap, nonpolluting hydroelectricity. I don't feel sorry for the citizens of Quebec or Ontario, who own their utility and, therefore, derive the direct benefit rather than turning it over to transmission companies who will profit from what should be our utility.

In terms of raging against the dying of the light, part of the light that is dying is the light, the flicker, the last flame of democracy in this province. With Bill 50 what we're seeing is the opportunity to have an independent hearing quashed. The Alberta Utilities Commission, at least a semi-independent body, has lost its opportunity to rule on behalf of the Albertans it was appointed to serve. Instead, what we have is a dictatorial circumstance where the Lieutenant Governor in Council/cabinet/Minister of Energy is going to tell Albertans what they can expect. And what can they expect? They can expect large towers of inefficient, long-distance energy

ranging from the north of Alberta to the south because that's the way it was always done.

7:50

Now, the Member for Livingstone-Macleod talked about wind energy. We've got over 1,800 gigajoules, I think is the correct term, of wind power waiting to be brought on line.

**Mr. Berger:** Kilowatt.

**Mr. Chase:** Thank you.

It would make absolute sense to connect that wind energy and put it on the grid. It would directly benefit the southern portion of Alberta.

**The Deputy Speaker:** Standing Order 29(2)(a) allows for five minutes of comments and questions. The hon. Solicitor General.

**Mr. Lindsay:** Thank you, Mr. Speaker. I'm just curious to know if the hon. Member for Calgary-Varsity recognizes that the majority of power that goes to Calgary today is a benefit of the power purchase arrangement that comes from the Keephills power plant. I'd just let this member know that the coal in that particular area has the lowest sulphur content of coal in North America, one-quarter of 1 per cent, and he refers to it as dirty power. Maybe Calgary wants to give the power back and use gas-fired.

**The Deputy Speaker:** The hon. Member for Calgary-Varsity.

**Mr. Chase:** Thank you very much. There is such a thing as cleaner coal, Mr. Speaker. There's no such thing as clean coal.

Calgary through Enmax is creating a locally generated gas plant to augment the existing gas plants in the area, so it is creating efficiency. It is creating the power where it is required to light up and heat the homes of the million-plus Calgarians. The idea of transporting it from the north just because that was historically the way it was done does not make sense. Neither, I would suggest, Mr. Speaker, does it make sense for Medicine Hat to not use the gas they have but to draw power from the northern regions of Alberta. Localized power generation with less line loss is the way to go, and the gasification of coal will allow that to happen. Transport the gas as opposed to the lines of power.

**The Deputy Speaker:** The hon. leader of the third party.

**Mr. Mason:** Thank you very much, Mr. Speaker. I would like to read the actual quote from Dylan Thomas's poem, the last verse.

And you, my father, there on the sad height,  
Curse, bless, me now with your fierce tears, I pray.  
Do not go gentle into that good night.  
Rage, rage against the dying of the light.

I wonder if the hon. member would like to talk about that for a few minutes.

**The Deputy Speaker:** Thirty-five seconds to talk on it.

**Mr. Chase:** Thank you. I appreciate being corrected. Earlier this afternoon I was not sure about the comment with regard to all hell for a basement in Medicine Hat. I wasn't sure whether it was Rudyard Kipling or Mark Twain. So I appreciate that.

I think what's happened, hon. leader of the third party, is that I took out "good" and accidentally or maybe psychologically inserted "dark" because that's what I am seeing. That good night that Dylan

Thomas experienced years ago in Wales no longer exists in the province of Alberta. We are getting exceedingly darker nights.

I apologize for my misquoting Dylan Thomas, and I appreciate the opportunity to have that clarified: good night.

**The Deputy Speaker:** The hon. Member for Calgary-Egmont.

**Mr. Denis:** Yes. Just one quick question. I'm wondering if the Member for Calgary-Varsity could comment on the price of gas if it were to get around \$9, \$10, \$11, as it has been in the past, sometimes unexpectedly, how that would fit in with the price of energy and his proposal that we should have more local gas generation in Calgary.

**Mr. Chase:** Actually, I already answered that question, but I'd gladly repeat my answer. At that point we have the option of the gasification of coal. We have 200 years of coal that, if used properly, would provide us energy at a cheaper rate than what you're suggesting gas prices may rise to.

**The Deputy Speaker:** The hon. leader of the third party.

**Mr. Mason:** Thank you very much, Mr. Speaker. I'd like to ask the hon. member if he could talk a little bit more about the advantages of electricity that's either generated by cogeneration or by renewable sources such as wind.

**The Deputy Speaker:** Thirty-eight seconds.

**Mr. Chase:** Thank you. The benefit is instant. You fire up your generators because you have your gas, and you don't suffer the consequences of a coal-fired generation circumstance that can take up to two and a half months to turn on. The coal-fired generators are being decommissioned, two of them up north, so let's get on with the decommissioning of the other areas and gasify our coal and burn it efficiently, produce power that's cheap and does not require lengthy, expensive transmission lines.

Thank you.

**The Deputy Speaker:** Hon. Member for Calgary-Glenmore, you wish to speak?

**Mr. Hinman:** When everyone else is done.

**The Deputy Speaker:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Yes. On the bill. Thank you, Mr. Speaker. This, as we all know, is a pretty complex issue. One of the things that I learned about 10 years ago when I spent some time examining issues around power deregulation and some related issues is that the electrical industry is an incredibly complex industry. It's a very strange product, electricity, as I'm sure people have noted in here in the debate. It's something that cannot be stored. Unlike just about any other product, it has to be used the moment it's produced. There's very inelastic demand for it. In other words, we are very dependent on power, whatever the price is. It requires a very, very sophisticated, complex system to generate and deliver. So it's a complex business we're looking at here, and I'm sure that's contributed to the confusion around the debate with Bill 50.

I think it's worth reflecting for a moment on the roots of this matter. I think the roots of this go back to the whole decision to deregulate Alberta's power industry. Alberta, before deregulation, had some of the lowest cost power actually in the world if you really

stacked it up, and it was also some of the most reliable. We had a system where the utility companies, the generators, and the delivery companies were profitable, and everybody was really happy. It's beyond me, other than the interests of some well-connected lobbyists who stood to make a lot of money from this and some hard-core ideologists or ideologues, why we ever deregulated, but we did. And when we deregulated, it's worth remembering what we were promised. We were promised that deregulation would give lower costs, more choice, and higher reliability. In fact, we've gotten the opposite. We've got higher costs, a very restricted choice, and worse reliability. So on all measures, for the great majority of Albertans deregulation has been a failure.

Something else that occurred with deregulation is that the whole planning system that had so effectively worked for Alberta was disbanded. Very little planning occurred, very little investment occurred in things like transmission lines for years and years and years, and now we're desperately short. We feel like we're in a crisis. These are the kinds of issues that would not have arisen and never did arise when we had a regulated power system.

I think it's worth hammering home one more time that the reason that we're facing this kind of turbulent debate and potential crisis with our power system all goes back to the decision made by this government 12 years ago or so to deregulate the power system. Bad move. It cost us billions of dollars. It may be the most expensive policy blunder by any provincial government in Canadian history. I think it's worth noting that the whole trend towards deregulation, which seemed to be getting a bit of momentum around North America eight or 10 years ago, has stalled. Anyways, we should never forget that all these messes are because of very bad policy decisions made in the 1990s and implemented since the year 2000.

8:00

We're in a situation here where it feels to me like we're planning for the future by looking in the rear-view mirror, that we are planning for what lies ahead by what occurred several years ago. That's human nature, isn't it? I mean, we remember what occurred in the past, and we want to make sure that if it wasn't a happy outcome, we avoid that. So we make corrections in our future plans for problems that occurred in the past, and that's what we're doing here.

Ten years ago, almost exactly, Mr. Speaker – the Member for Edmonton-Highlands-Norwood might remember the date – there was a very heated debate in the city of Edmonton about selling EPCOR, and that came down to a very close vote. I was involved closely in looking at the case for and against selling. I know the proponents of selling EPCOR used various ways to try to urge the city council of Edmonton to proceed with the sale. One of the things they said was that the power industry was on the brink of a revolution, and they were saying this 10 years ago.

What did they mean by that? Well, they said things like if we don't sell EPCOR right away, it's going to lose value because we're moving to a system of distributed generation in which there will be small generating units throughout the system rather than a handful of big ones with transmission lines. They talked about micro-generation, in which people would actually generate power in their own homes. They talked about solar and wind. They used all of these ideas to try to convince the Edmonton city council that, in fact, 10 years ago EPCOR would have been on the brink of being obsolete. In fact, they were wrong. Ten years ago, wisely, city council said: no, we're not going to buy that; we're going to hang onto EPCOR.

Well, let's move forward 10 years, and let's revisit some of those arguments. I know this is going to circulate around in various ways,

but in fact some of the advances in technologies that were used as a sort of bogeyman 10 years ago are actually now beginning to occur at long last. So we're seeing things like distributed generation – certainly, that has been proposed by Enmax – where you have many more generation plants distributed through the whole system rather than a handful of giant plants out at Lake Wabamun and in that vicinity. That could easily happen, and Enmax wants to proceed with that.

There are also dramatic increases in wind generation, and I think we're all aware of that. More importantly, I think, in the long term will be the development of solar power. That is actually beginning to play out in real life in Edmonton and around Alberta right now. We're seeing very significant decreases in the cost of photovoltaic panels. There are major factories being built and in production in China where they're producing massive volumes of photovoltaic panels at rapidly falling costs. I was just speaking to an electrical engineer yesterday, I guess, who is forecasting that within two or three years photovoltaic power will be directly competitive, without any subsidies, to the existing power base that we have today.

I only have a few more minutes. My point here, Mr. Speaker, is that this bill is going to facilitate and impose a massive, massive investment in a power system that looks very much like it's going to be obsolete, and it's going to be obsolete because of new technologies, because of greater efficiencies. We're going to discover in five or 10 years that billions of dollars have been spent at no cost to the companies, I might add, for something that we don't need. It's going to be left behind. We're solving a problem that existed years ago but will not exist in the foreseeable future.

Now, I'm just going to wrap up briefly, I think, at this round of the debate by talking about some recent developments in Edmonton and in Red Deer as well around net zero energy housing. It's hard to believe, Mr. Speaker, but actually houses are being built in Edmonton right now without furnaces, and these are houses that people live in year-round, perfectly comfortable. How are they doing that? Well, they're doing it through better design. They're doing it through superinsulated building envelopes – foundation walls that are 16 inches thick, ceilings that have a metre of insulation in them – tightly, tightly sealed building envelopes with air exchangers.

These buildings, if they're oriented to the sun to capture passive solar energy, which isn't very difficult – one of the things we have in great volume in this province is sunshine – absorb the sun through the day, allow the sun into the interior of the building. There are concrete floors or other thermal mass that absorb the sun's energy through the day and then radiate it through the house at night. Even in the depths of a January night in Edmonton you can heat an entire house with the equivalent power of a couple of toasters, okay?

This isn't fantasy. These houses exist. There's actually a duplex built like this in Edmonton Riverdale. There's another house just moved into in the last month in Mill Creek. There's another one under construction in my neighbourhood. Mr. Speaker, I'm hoping to build one myself, beginning within the next year. These things are moving along quickly. I can tell you that it's going from the fringe to the mainstream very, very rapidly. At this moment one of Edmonton's largest housing builders is looking seriously at getting into net zero energy housing in a big way – in a big way.

This is the kind of innovation that is occurring. We are on the brink of this kind of innovation, and my concern is that by committing billions and billions and billions of dollars to this old technology, we're going to find that we've done like the French did after World War I and before World War II. They built a huge defence system to defend against trench warfare, and it was completely useless against the new technologies of World War II. This is going to play out over and over. We can see it occurring. You can

actually go down and feel these buildings and walk through them and study the plans and talk to the people who live in them.

That's all being done, Mr. Speaker, without any subsidies, okay? We're not talking about \$700 million in subsidies to these kinds of buildings like is going to CO<sub>2</sub> sequestration. This is occurring without subsidy. In fact, if you had a level cost base, you would find that net zero buildings would be extremely competitive with the existing power system.

This government has ever so reluctantly made some of the right moves. They've allowed, finally, net metering. With these net zero homes, actually, throughout the summer months the power meter runs in reverse, and they generate power and put it on the grid, and that offsets the requirement for further generation at the coal-fired plants. You combine that with superefficient lighting systems, light-emitting diodes, solar tubes, superefficient appliances, and the demand for electricity is going to flatten out and could easily, particularly if this government showed some leadership, begin to diminish.

So, Mr. Speaker, I am not a fan of this legislation. I think that it is the wrong approach. It's an outdated approach. It facilitates coal-fired power, which is contrary to all the evidence we have on greenhouse gas emissions. The Member for Stony Plain spoke about the low sulphur content of coal in the Wabamun area. Fair enough. I think it's also got relatively low mercury content. That's not the issue. The issue is that it's releasing vast amounts of carbon dioxide, and even if we recaptured that, if we were to bill the cost of recapturing that in a real manner back to the consumers, that power would not be affordable. It will not be affordable. This is obsolete. This is a misguided piece of legislation, a failure of leadership, a failure to adapt.

8:10

I'll finish, since we're into quotes tonight – I'm not going to quote Dylan Thomas, but I will paraphrase Charles Darwin, who was born 200 years ago this year. Darwin, actually, did not speak about survival of the fittest. He said that survival does not go to the strongest or the fastest or the smartest; it goes to those who adapt. What this bill is doing is failing to adapt. It's committing us to an old, obsolete way at enormous cost. That's why I think it's a bad bill.

Thank you, Mr. Speaker.

**The Deputy Speaker:** Standing Order 29(2)(a) allows for five minutes of comments or questions. The hon. Solicitor General.

**Mr. Lindsay:** Well, thank you again, Mr. Speaker. The hon. Member for Edmonton-Riverview talked about deregulation of the electrical industry, but I'm not sure if the hon. member is aware – and I guess I would ask him that question – that really the only thing that was deregulated was generation and marketing, and that's been reasonably successful in that since deregulation there are over 2,000 to 3,000 megawatts of new electricity. Again, the bottleneck is transmission. That's why we're talking about Bill 50. So the question is: does the hon. member know that transmission/distribution in this province is still regulated?

**Dr. Taft:** I am aware of that, but it is a completely different regulatory system than it used to be. I'll just speak ever so briefly about two functions that were disbanded or dramatically changed under deregulation that directly affect us. One was the whole planning system for the power industry. The theory under deregulation is that the market will determine investment, but before that under the regulated system there was actually a planning board or a

whole electrical planning branch, I think it was called, that employed engineers and mathematicians and so on, and they planned what transmission was going to be needed, and they planned where generation was going to be needed and what the likely consumption was going to be, and they ensured that things occurred on an orderly basis. That kind of function and that kind of investment has not occurred.

The other thing that was deregulated was the pricing structure. Rather than having a pricing system like we used to have, which blended the costs of coal and hydro and gas and so on into one price, we now have a system in which pricing is at the highest margin, and that's been a real problem.

**Mr. Mason:** Mr. Speaker, the Solicitor General brazenly exceeds 15 seconds, and the health minister is mute.

I would like to ask the hon. Member for Edmonton-Riverview if, with respect to the regulatory process, it doesn't make sense to plan transmission and generation together.

**The Deputy Speaker:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Well, thank you. I appreciate the question from the Member for Edmonton-Highlands-Norwood. Yes, it does make sense to plan generation and transmission together because if you're generating power, you need to have a transmission system. When under deregulation you turn the construction of generation over to the marketplace, then it becomes much more difficult to plan transmission, and hence you get the kind of mess that we have now. So, yeah, that's one of the things that was lost when we dismantled what was an outstanding electrical system.

**The Deputy Speaker:** The hon. Member for Calgary-Glenmore.

**Mr. Hinman:** This is under 29(2)(a)?

**The Deputy Speaker:** Yes, 29(2)(a).

**Mr. Hinman:** Super. I'd just like the knowledgeable member with his experience to expand a little bit on the ruling by the AEUB back in, I think, 1992 on the shared 50-50 on the operator versus the load and zone pricing that they tried to initiate, that Murray Smith vacated and said that we're not going to do that. Do you feel that zone pricing would help in locating new generation electricity?

**Dr. Taft:** It might. It might. I think that one of the real losses that occurred when Murray Smith unilaterally made his decision and overruled all the advisers is that all responsibility was taken off the corporations for the costs of building this transmission. Essentially, they got a free pass.

In the system that used to exist, where they were responsible for a significant portion of the cost of transmission, they had to raise the capital. Sure, eventually that got paid by the consumer, but they had to raise the capital, and that immediately acted as a kind of governor or limiter on how much they were prepared to go for. If they didn't need to go for a gold-plated Cadillac, they weren't going to. Well, now, when they're not responsible for any of that investment, they're going to go for everything.

Thanks.

**The Deputy Speaker:** Going to the motion on the previous question, the hon. leader of the third party.

**Mr. Mason:** Well, thank you very much, Mr. Speaker. I'm happy to – well, I'm not so happy to rise to speak to this closure motion of

the government. You know, here we are making a \$14 billion decision, and the government uses a motion which is merely a cloaked version of closure. I think it's a travesty that the government would actually engage in this kind of undemocratic behaviour when we're talking about a \$14 billion decision.

Not only are we talking about a \$14 billion decision, Mr. Speaker; we're talking about a \$14 billion decision that many people in the industry are objecting to. They are saying that this is the wrong decision, that it's not necessary to build this infrastructure, yet here we are late into the night, when normal people are watching TV, watching the game on TV, or even going to bed. Here we are being forced into silence on this outrageous bill.

Having said that, you know, I want to address the question of the bill again because I think this is perhaps one of the most expensive mistakes that this government has ever made. I want to say that that is saying a lot, Mr. Speaker, a \$14 billion mistake.

I just want to indicate that people that have looked at this – and I want to quote from a report from the University of Calgary, from the School of Public Policy. This is an academic paper done by Jeffrey Church from the department of economics, and secondary authors are William Rosehart and John MacCormack from the department of electrical engineering at the University of Calgary. They have taken a look at Bill 50. The title is Transmission Policy in Alberta and Bill 50. Here are a couple of the things that they included in their summary of conclusions, Mr. Speaker.

Our results, showing that the two large [high-voltage DC] lines that are proposed are economically inefficient and unwarranted given the AESO's assumptions and forecasts, point to the benefit of a regulatory process, and raise doubts that the state of reliability and supply adequacy indicate the need for an emergency response.

They also say:

Our conclusion is that the large cost and capacity of the two [high-voltage DC] lines, 4,000 megawatts, is an overbuild that is not warranted by its economics.

This a report that was made by economists and electrical engineers at the University of Calgary.

**8:20**

They go on to say that

even if all line losses were eliminated if the two HVDC lines were added, raising the benefit of the reduction in line losses by another \$880 million, the net benefit of the two high-voltage DC lines would still be between (\$852 million) and (\$1.06 billion).

They go on to say that

Bill 50 raises an interesting question involving the regulatory approval process for electrical transmission lines: does it warrant suspension of the needs assessment? There are a number of advantages associated with using an independent regulator to assess whether a transmission project is in the public interest. These advantages include the following:

- (a) It is easier for an independent regulator to commit to regulatory policy, therefore reducing political and regulatory risk and encouraging investment.
- (b) It is less likely that the project approval and conditions will be driven by short-term political interests . . .

I'll repeat that: "less likely that the project approval and conditions will be driven by short-term political interests."

. . . and more likely that a focus on long-run benefits and costs can be maintained.

- (c) Regulatory agencies typically have relevant expertise, historic awareness and background knowledge to understand, evaluate and adjudicate complex issues.
- (d) Regulatory processes are designed to subject interested parties' positions to public scrutiny and evaluation. They provide a forum for a public debate and record that reduces the issues and problems caused by asymmetric information and strategic behaviour.

- (e) Regulatory processes guard against private interests having an undue influence, perhaps like subsidizing political parties' conventions.

- (f) Public regulatory processes make explicit the alternatives available and require the regulator, through written decisions, to explain their rationale. This is an important constraint on any political collusion between the decision maker and private interests.

And finally,

- (g) Regulatory processes allow for public participation and monitoring, contributing to accountability, understanding and legitimacy.

Mr. Speaker, I submit that what's happened here is the short-circuiting of a very valuable step in the evaluation of very expensive infrastructure that has been proposed. I think that the whole process has been short-circuited. I think that there's a short over there on the other side.

Yes, I do think, Mr. Speaker, that we need to evaluate and scrutinize the arguments on both sides for this massive expenditure. I'm looking at the proposal that AESO gave to me. For the interties that they're proposing to go with for this, there's \$2 billion. For the additional transmission there's nearly \$4 billion, so that's \$6 billion. And then for the actual projects envisaged in this act that we're going to approve and mandate if we pass this bill tonight, it's over \$8 billion. By my math that's a \$14 billion expenditure provided that none of these projects go over cost, and that's always a distinct possibility.

What are we doing here? Well, I think it's very clear what we're doing. We are building a massive, overbuilt electrical transmission infrastructure so that any entrepreneur who wants to build a plant anywhere in the province can plug into it and make money. That infrastructure is also designed so that it can be added to in the future to extend the transmission of large amounts of electricity into markets outside of this province for a profit and not necessarily benefit the people of Alberta in any way other than to perhaps produce coal pollution and CO<sub>2</sub> in our province. That infrastructure that's being provided for the profit of the companies that may want to build generation and plug into that transmission is being paid for entirely by the electricity consumers of this province. Mr. Speaker, I can't think of a worse decision that we could possibly make than to proceed with this bill.

There's no question that some additional transmission infrastructure may be needed, and certainly older transmission infrastructure may need to be upgraded. But the government and AESO have produced no evidence whatsoever that we are going to be facing brownouts or shortages of electricity in the province, that there are going to be failures in the transmission system. They say that, they try to scare people, but they haven't produced any proof. Knowledgeable people in the industry will tell you and have told me and I'm sure they've told the government that what really happens is that your maintenance costs on an older system tend to rise until you reach a point where it's more economical to replace that infrastructure. We may be at that point, but there's absolutely no evidence of that.

Mr. Speaker, I have to say that I'm very disappointed about the government's decision to short-circuit the regulatory process. They've decided that these particular projects are too important to be scrutinized, particularly to be scrutinized by the people who will have to pay the bills. As the hon. Member for Edmonton-Riverview suggested, this is an extension of the logic of deregulation. When the government went down the road of deregulation, they deregulated and privatized the generation side of the equation. Normally, that had been planned in conjunction with the transmission. So you'd look at what the increase in demand or in load was going to be



and where it was going to be in the province. You'd make projections, and you'd approve generation where it was needed in a timely fashion. You would at the same time approve the appropriate transmission facilities to get that power to where it was needed.

There was system planning. It was efficient because you didn't overbuild. You didn't build more generation than you needed. That has been lost. We have now a transmission administration which is the one regulated component left in the system between the retail marketing of electricity, which is a for-profit, competitive business, and generation, which is also a for-profit business. But there's no way of telling who's going to build which plant and where they're going to build it and when they're going to build it, so you need to provide an infrastructure that is, as they say, robust enough to be able to pick up any generation that might reasonably be built. That's part of the free-enterprise model.

Now, I want to suggest. I know there's a group of folks in our Legislature who've been taking to wearing black, the Prefab Four. I'm not sure what the name is exactly, but they have set themselves a task – a crusade, if you will – to force this government to be more accountable financially. That's a good goal because, you know, we also believe that there are certain things that the government is wasting the public's money on. We have different priorities, but we sure don't think that the government should be wasting the taxpayers' money. It's not their money; it's the taxpayers' money.

8:30

Here we have a massive expenditure. Now, it's not taxpayers, but it's ratepayers. They're a lot of the same people – a lot of the same people, mostly the same people – who are going to have to pay \$14 billion on a massive expenditure that may in fact not be necessary, but we'll never know because we can only take the Minister of Energy's word for it.

Quite frankly, Mr. Speaker, I don't think that passes the fiscal conservative smell test. I would encourage the Prefab Four to get up in question period and get up in this debate and seriously challenge this massive waste of ratepayers' money because that's exactly what it is. There are lots of people who have considerable expertise in this field who have said exactly what I'm saying today, Mr. Speaker. So I invite the four of them to take a leaf out of our book and actually stand up for the people who pay the bills in this province, the ordinary families of this province, who, in fact, are going to be on the hook for this expenditure. They have no right under this process to challenge what's happening. They have no right to say: "You know, you can't tax me for this project. I don't agree with it. I'm not going to pay."

Thanks very much, Mr. Speaker.

**The Deputy Speaker:** Standing Order 29(2)(a) allows for five minutes of comments and questions. The hon. Member for Calgary-Egmont.

**Mr. Denis:** Thank you very much, Mr. Speaker. I would invite the hon. leader of the third party to join our group of four except I do know his politics, and over a period of time he has mentioned that he's very critical of people who want people to pay more as opposed to businesses.

I'm not going to get into that argument, but I do have a quote here, and I have a question for him. On Saturday, November 14, 2009, the *Calgary Herald* page C3 talks about game players.

Who pays for transmission?

- Farm: 4 per cent
- Residential: 16 per cent
- Commercial: 19 per cent
- Industry: 61 per cent

That means that over 80 per cent is being paid for by some sort of business through this plan. You should be happy with this, should you not?

**The Deputy Speaker:** The hon. leader of the third party.

**Mr. Mason:** Absolutely not, Mr. Speaker. I don't think that we should be burdening big business in this province with unnecessary costs, and I would expect you to stand up on behalf of those power consumers, because that's what they are, who are going to be charged billions of dollars for this boondoggle. Get up and stand up for those companies because they need somebody in their corner. You know, it should be you more than me, but I'm prepared to do it.

**The Deputy Speaker:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Well, that's a hard act to follow. Actually, though, it's worth making the point that very high power costs have driven some businesses out of Alberta, and more are threatening to leave because of the high power costs.

But my question was to the Member for Edmonton-Highlands-Norwood. You talk about the burden on ratepayers. Do you have any experience or any knowledge of the burden on the public sector or nonprofit groups from higher power rates? I'm thinking of universities or school boards or municipalities because I know they get hit really hard as well.

**Mr. Mason:** Thanks to the hon. Member for Edmonton-Riverview for the question. Of course, municipalities, school boards, universities, health regions, whether there are 16 or one, pay massive amounts of money for their electricity, and when the costs of a \$14 billion infrastructure are added to the rate base and charged back to the consumers based on how much power they use, those institutions are going to have major financial problems. This is coming at the same time as the government is cutting back on some of the funding for those organizations, so it will create a more difficult situation for them. It will make a difficult situation worse, and I think it's a good point.

Now, in terms of the nonprofit sector, which does yeoman's work in this province trying to assist communities and individuals who need help, they're very close to the margin in terms of what they can afford, so these additional utility costs have a negative effect on them as well.

Mr. Speaker, it's right across the board. It's businesses, it's individuals, it's the nonprofit sector, and it's the public sector.

**The Deputy Speaker:** The hon. Minister of Energy.

**Mr. Knight:** Well, thank you very much, Mr. Speaker. The hon. member and leader of the third party made some comments that I think require me to ask a question of him. First of all, you know, he was citing from a document that he obviously has with him. Not a bad reader, actually, but I'm not exactly sure of the understanding behind what it was he was reading. I would just ask the member opposite, the leader of the third party, if he would confirm the co-author of the report that his quotes came from, if he could confirm for me if that same individual was hired by Enmax or the city of Calgary to intervene negatively on transmission upgrades that were being heard at the public hearings that were conducted by the AUC.

**Mr. Mason:** Mr. Speaker, I think that if the hon. Minister of Energy wants to bring some allegations against the academic objectivity of this author, he should step outside the Chamber and make those statements.

**The Deputy Speaker:** Any others? Standing Order 29(2)(a) is out for some seconds.

Next speaker on the previous question motion. Hon. Member for Calgary-Glenmore, do you wish to speak?

**Mr. Hinman:** Well, thank you, Mr. Speaker. It's important that we stand and speak to this question, and I'll have to concur with the previous hon. members in the opposition that it's disappointing that we're not going to be able to continue this debate, but we'll go on into committee, and it will go forward there.

There's much more that needs to be said, and time is probably the most important thing because there are a lot of articles and papers that the experts throughout the province are doing research on. They're coming out almost daily right now, and it seems like the government members are not privy to them. I found one that the government members seem to have left behind out back. It's a memorandum to members of the Alberta government caucus from the Consumers for Competitive Transmission. I urge all of the caucus members, that obviously got this, to read it because it's important information in here.

**Mr. Mason:** Are you digging through the trash cans, Paul?

**Mr. Hinman:** No. They're just handing things out there, and they don't recognize people in suits.

In this memorandum from the Consumers for Competitive Transmission they basically represent 80 per cent of the power demand for Alberta. I think that that's significant and something that we should look at. They refer in here that the CCT represents four consumer groups: the Alberta Direct Connect Consumer Association, the Canadian Chemical Producers' Association, the Consumers' Coalition of Alberta, and the Industrial Power Consumers Association of Alberta. Basically, to paraphrase the report – and like I say, I'm sure that perhaps some of the members were interested, and they've read it – it just goes on to say that this is not in the best interest. This is an overbuild. The best analogy that I can think of is that we've got some hyped-up individuals that want to build a monster truck, and they've gone out and they've bought a 2,000 horsepower engine only to realize that they have no axles, no body, no transmission to hook it up to.

The hon. Member for Edmonton-Highlands-Norwood brought forward the report from the University of Calgary. It points out in many areas the bias of the information that's being brought forward and being proposed by the government. It's not acceptable. We're not in a panic situation where the lights are going to go out. That was over two years ago that Chicken Little started running around and said that the sky is falling, the sky is falling. We've gone into a recession since then. Times have changed.

More importantly, let's go back to the AESO and their report from 2007 to 2008 because back then – again, some of the hon. members have said: oh, that was just a Band-aid. It wasn't a Band-aid. All that was necessary was one 500-kV line to upgrade between Wabamun and Calgary to ensure the reliability.

**8:40**

The hon. minister talks about the reliability. Well, I guess I've kind of thought of a new acronym for these high-voltage DC lines. I think that really what they are are high-voltage PC lines, PC standing for those that are politically connected to this government. We'll have a high-voltage, politically connected line that will benefit a few, but it'll be at the cost of the consumers of Alberta. That concerns me. It concerns the residents of Calgary-Glenmore. They're upset when they were talking about the possibility of the bills going up.

There's no question that the AESO has said that, you know, the out-bill is going to cost \$14 billion. Just to do some simple math, 10 per cent of \$14 billion is \$1.4 billion. When this government thought that it had excess money, rather than paying off some of its debt or paying money to the teachers' pension fund or getting rid of some of those, they gave out \$400 to every Albertan, about \$1.4 billion. If we have \$14 billion, that's equivalent to about \$4,000 for every Albertan.

The other thing that seems to get missed in all of this is that we're running a deficit, and if we put another \$14 billion debt on the consumers of Alberta, the interest rate is interesting. I believe that the Alberta Utilities Commission allows a rate of return of about 9 per cent plus taxes. We're actually looking at this \$14 billion that we're going to spend as we develop this huge, massive electrical grid that isn't even functional in many ways, and it's going to be exorbitant. That interest at 9 to 14 per cent as we extrapolate that out over 60 years is mind-boggling. Albertans and businesses in Alberta can't afford that.

One of the hon. government members referred to the pulp and paper industry and what the costs would do, possibly losing the competitiveness of that industry. That's not the only one. I'm sure that many members have received concerns from their residents, from businesses of those residents, realizing that they can't afford this. I've talked to many restaurant owners and other ones that say that the cost of power makes it a give or go every month on whether or not they should keep their business open. If this new rate jumps in, we're going to continue to lose more businesses. That converts to job losses, and we just can't afford to go down here.

The most important thing and often the wisest thing that we need to do in a crisis situation is to sit down and think and reflect on what we're going to do rather than react because when you react, often you increase the problems of the crisis and the damage that's being done.

That's what this is. This is a reaction of this government to a needs application put out in 2004 that was defeated in the Court of Queen's Bench. What they looked at is: "We don't want to have to go through this all again. It's expensive. It's messy." My goodness, democracy is. That's the one thing that I love to paraphrase from old Churchill: democracy is the worst form of government, except for all others. Albertans love their democracy. They want to enshrine it and keep it here, but it seems like with this government, with their centralization of power and decision-making inside the cabinet, we're losing the democratic process. But more important: how are they to be held accountable? There's nothing we can do.

It's interesting. I believe that it was on the 8th of June this year that the order in council gave this authority to the minister already to declare the crisis and to move it forward, and Bill 50 just kind of enshrines and protects that on an ongoing basis. It just is not in the best interest of Albertans. We need to look at it.

Again, I want to go back to the root of the problem, and that, I believe, is the mandate that was given to AESO in how to operate. That mandate says that we are to build transmission lines and to ensure that the flow of electricity is unconstrained. We've had members get up, and they've talked about that we have a shortage or that we're pushing the limits on our power and we don't have the lines to do it. But it's interesting that if you look at AESO's reports, that occurs at 2 o'clock in the morning when we're exporting. We don't hit that peak during our own peak hours. We need to analyze that and realize that that is the essence, and the mandate needs to be changed.

Right now with the unconstrained, it doesn't matter what the cost is of building power lines. It's saying that it's unconstrained. I can assure you that if there's anything the constituents that I represent

want unconstrained, it's 14th Street to 90th Avenue. They get up in the morning, and they're bogged down. This government says: well, we can't afford to spend, you know, the billions of dollars to build those overpasses and that we're going to have to just live with that constraint. Well, I don't think the electrical system is in the same crisis as the traffic in Calgary. If they want to declare it a crisis and they need to spend more money on infrastructure, maybe getting the flow of traffic going in southwest Calgary would be appreciated there.

**Mr. Mason:** They'll just have to go as electrons.

**Mr. Hinman:** The heat would be immense. When it just sits there idling, it's not good.

Anyway, there are just multiple problems with this that we're not addressing. Another interesting scenario was when I was talking to one electrical engineer who called me up, you know, and said: nothing has happened since the AESO report, the '07-08 plan, and implementation of Bill 50, that there's been no change, no massive difference. We have a recession. Generation has been announced in the south since then, which will alleviate the problem of constraint on that line, yet now we're in a crisis situation. Again, I want to repeat: we are not in a crisis situation. That's a fallacy. It's fearmongering. Have we got heads in a snowstorm or something, that they can't see? They're acting like we're in all these problems when we're not.

I'd also like to mention and go back, you know, to the needs document that needs to be filed with the AUC when there's a crisis situation or there's a problem known in the electrical grid. There has been no document filed to the AUC saying: there's a need for these upgrades; let's have AESO file that. But AESO's recent history hasn't been that squeaky clean. I've talked a couple of times of the reports that have come out and the court order saying that these people are biased. Again, I believe that the bias, though, really is because of the mandate which they've been constrained to work under, saying that we're supposed to have power lines that are unconstrained for generators. That just doesn't work. We need to back up and realize what the real problems are going forward.

It's also interesting because our own mandate and the laws here in Alberta – I've forgotten the acronym for the U.S. It's FERC. Basically, it looks for the cheapest way possible. We don't do that. A few of the hon. members in the opposition have talked about piping the gas and having local generation. We don't look at the cost.

It's also interesting, though, that report put out by the University of Calgary. There have been several members ask: well, what if gas goes to \$9 or \$12 a gigajoule? In that report from the U of C they actually say that with the cost of this overbuild, this \$14 billion, and the increase that's going to go, gas would have to hit \$65 a gigajoule in order to make this line economically viable. We haven't been there for a while, but the whole dynamic of the gas industry has changed completely in the last two years. Two years ago I was in that same boat, worried: what are we going to do when we run out of natural gas? Now that the U.S. is actually decreasing imports – they figure up to 3.1 tcf per year – we're going to have an abundance of gas because of the technology that's been developed here in Alberta on how to extract tight gas. We're not in the same situation. It could go forward. That's why I believe that we need an open and competitive market.

If a coal generation plant can come on stream and get up and running and they're competitive and they want to bid in there, that's great. But I don't think you're going to see any coal plants come forward because we're in such political instability throughout the

world right now. We don't know what they're going to try to implement for a tax on the coal industry. Those people that have been wanting to try to develop and use clean coal are afraid because they don't know what new tax they're going to get hit with. Again, with the instability of government and changing things, like they did with the new royalty framework, it destroys the confidence of business. Investment is pulled.

I'd have to perhaps debate the hon. Member for Edmonton-Highlands-Norwood in that he says that this is the biggest bungle. The \$14 billion is a lot, but I think the new royalty framework may have cost Albertans a lot more as we go forward. But we can't afford to. So there are two mistakes that the people of Alberta can't afford. We need to look forward, not backwards. Again, in doing that, we realize that we do have time, and we have choice. We just can't all of a sudden declare a crisis when there isn't one and then push this through.

**8:50**

I want to talk again a little bit about the process that the AEUB used to go through and the Alberta Utilities Commission. What is the power of an actual needs hearing in front of the AUC? I think it's incredible. I think there are a lot of experts that would come forward. In the hearing, though, it's a semijudicial court. They have to follow those things, and it's appealable. It's not just listening. We get caught up on this idea of: "Oh, we've spoken to the public. We've heard from industry. Isn't that wonderful? We've had 327 open hearings." Experts don't always come forward in those areas.

Also interesting is the change and move to the crisis situation since three prominent individuals left the AESO. I'd be very interested that if, in fact, we went to a needs hearing, I think we would see those prominent individuals come back and say that there isn't a need, that we're not in a panic situation. And we should be looking for that. If anything, what we should be doing is looking for an inquiry on what has happened between 2008 and 2009, when this crisis developed, because if we had an inquiry, I really believe we'd find that there has been no crisis. Therefore, we wouldn't need to put in these two high-voltage PC – or is it DC? – lines. I can't remember now.

Again, who is it for? We really want to go back and realize that Alberta is an export province. What we need to look at is the efficiency of our system, the increased costs, increased taxes, losing our efficiency, our competitiveness in order to export our industry. We really do need to address it.

Is my time approximately up? Well, I guess I'll wrap up and see if there are any questions. I appreciate the time to address the Assembly.

**The Deputy Speaker:** Standing Order 29(2)(a) allows for five minutes of comments and questions. The hon. Minister of Energy.

**Mr. Knight:** Well, thank you very much, Mr. Speaker. For the listening viewers at home, that was quite a rapid-fire, shotgun approach to talking about a piece of legislation. Most of the comments I don't believe had a whole lot to do with what it is we're talking about. However, the individual did mention or tried to mention something to do with the export business in the province. He somehow thinks that there's something derogatory or negative about exporting a commodity. I would like to ask the member, relative to his discussion, if he wouldn't mind explaining to us and to the public and to the House about the export of wheat, beef, oil and gas, petrochemical products. What has that done to disadvantage Albertans, generally, and would he agree or disagree that electricity is a commodity?

**Mr. Hinman:** Well, I thank the hon. minister for that question, but I'm not going to answer all the ones on the first one. I'm just going to answer the importance of exporting as a general thing. I'm not against export. I'm excited about it. We have a lot of carbon here in the province that we can generate. We can cogenerate up in Fort McMurray. We can possibly go to hydro electricity. But the problem is that right now the ratepayers in Alberta subsidize exported electricity. Merchant lines. Has the minister ever heard of or is he even familiar with the Montana-Alberta tie-line? That is a merchant line, and people want to put that in and pay for it. We don't need more government intervention and building things for industry if, in fact, the cogeneration is great.

If the government is going to be honest with Albertans and say whether or not they're going to have – it just leads to the question, it begs the question: have they said yes to Bruce Power to put in a nuclear facility, and in order to entice them here, they're saying that we're putting in these high-voltage DC lines, or PC lines, because they're politically connected to you, so that they come in? The problem is that subsidizing industry doesn't work. It hasn't worked in the auto industry. It hasn't worked in other industries. Merchant lines: they can put them in. They can export. I'm all for export. We do it with gas, wheat.

Oh, my goodness. Mr. Speaker, he spent more time on the question than I'm getting for the answer. The problem isn't the export. It's the fact that we don't subsidize industry to do that. We want them to be competitive and to choose to be here because of the great tax system that we have and the low costs.

**The Deputy Speaker:** The hon. leader of the third party.

**Mr. Mason:** Thanks very much, Mr. Speaker. I'd like to ask the hon. Member for Calgary-Glenmore, as a true fiscal conservative – you know, it's notable and noticeable the silence of the Prefab Four on this incredible boondoggle waste of taxpayers' money, which is going to hurt not only individual consumers but businesses as well. Does he think that what they're doing represents true fiscal conservatism in this province?

**Mr. Hinman:** Well, I thank the hon. member for that question. I was even more thankful to see him get up and realize that he needs to stand in place for businesses when they get overtaxed. That was a huge move forward.

**Mr. Mason:** Always have. Always have.

**Mr. Hinman:** Thank you. We're obviously winning.

The true conservatives are slowly bringing people onboard, and I feel that as a true fiscal one, we will make great moves forward here as the budget comes forward in other areas. And why? Because the good people of Calgary-Glenmore say that we need to send Ed a message. We need to be fiscally responsible. We need local health care choices going on, and we don't need a centralized government with that power and decision being put into the cabinet and the Premier's office.

**The Deputy Speaker:** We have 56 seconds. The hon. Member for Edmonton-Riverview.

**Dr. Taft:** I'm wondering if the Member for Calgary-Glenmore would agree that one of the hazards in exporting electricity is that we end up, through the process of exporting, integrating our transmission system into the same system that California and all the high-

cost markets of the U.S. use. The only way that we can actually make that work is if we pay the same price the people of California pay. Does he realize that the advantage Alberta used to have with low-cost electricity was because we were self-contained? What's the benefit of exporting for the people of Alberta?

**Mr. Hinman:** That's an excellent question. I guess I'd start with backing up and referring to gas. You know how cheap gas was, natural gas, and everything else. If we didn't export anything, we'd have a massive surplus here in the province of Alberta, and it would be extremely cheap for all commodities. I understand your concern, and that's why we need merchant lines instead of public lines if, in fact, some company wants to set up for electricity.

**The Deputy Speaker:** Are there any other hon. members who wish to speak on the previous question?

Seeing none, the chair shall now put the question.

[The voice vote indicated that the motion on the previous question carried]

[Several members rose calling for a division. The division bell was rung at 8:58 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Calahasen	Jablonski	Prins
Campbell	Knight	Quest
Dallas	Leskiw	Rogers
Denis	Liepert	Sherman
Elniski	Lindsay	Tarchuk
Evans	Marz	VanderBurg
Fawcett	McQueen	Vandermeer
Forsyth	Mitzel	Woo-Paw
Hancock	Olson	Xiao
Horne		

9:10

Against the motion:

Hinman	Mason	Taft
Kang	Pastoor	Taylor
MacDonald		

Totals: For – 28 Against – 7

[Motion on previous question on Bill 50 carried]

**The Deputy Speaker:** Pursuant to Standing Order 49(3) and *Beauchesne* 521(2), I must now call the vote on the original question.

[Motion carried; Bill 50 read a second time]

### Government Bills and Orders Committee of the Whole

[Mr. Cao in the chair]

**The Chair:** The chair shall call the Committee of the Whole to order.

**Bill 48**  
**Crown's Right of Recovery Act**

**The Chair:** We adjourned the debate on the amendment to it, so now we can continue on. Are there any questions? The hon. Member for Calgary – the hon. Member for Edmonton-Riverview. Sorry. It's a late night.

**Dr. Taft:** It's a late night. Maybe we should just all go home.

**Mr. Denis:** Is that a motion?

**Dr. Taft:** Would you support it?

Thanks, Mr. Chairman. This is the first chance I've had to rise on Bill 48, and I am aware that there is an amendment. At least, I should confirm. Yes, I'm sure there's an amendment still on the floor, an amendment moved by the Member for Edmonton-Strathcona. If that member hadn't proposed this amendment, we would have proposed the same thing because I think it gets to the heart of the problem with this bill. I think it's a good amendment, and I'd like to see it supported.

I need to check through *Hansard* from last night, but the amendment effectively proposes to strike the first part of the bill. The amendment proposes to strike out sections 34, 35, 36, and 37 of the bill. I think some of the arguments made last night by the Member for Edmonton-Strathcona were pretty much right on the money, and I think it's worth repeating them.

I want to start with a broader point here, Mr. Speaker, which is that the way this bill is presented is very unfortunate. I think there's an attempt here at a sort of trickery that is unbecoming to a Legislature. It's the kind of thing we saw in Bill 44 in the spring. What we have here, effectively, is a bill that tries to do something quite sensible and reasonable and then folds into it something that is quite foolish and unreasonable. The sensible and reasonable thing is to empower the government to take tobacco companies to court to recover damages that tobacco use has caused to people's health and, therefore, added cost to the health care system. The sensible part of this is that this would enable the provincial government to recover the costs of treating Albertans who become sick from the use of tobacco. It's hard to argue against that. I think that part of it's good.

The part that's added on and probably uses the good idea as cover is the part that this amendment proposes to strike, and that's sections 34, 35, 36, and 37. Those portions speak specifically to recovering the health care costs that may result as a result of the commission of a criminal offence. I think it's a mistake to combine that with the tobacco recovery component. I think that the whole notion of empowering the government through this particular means to recover the costs from people who cause health care damages through the commission of a criminal offence is poorly thought through. I cannot see that it's going to be helpful, I cannot imagine that this is somehow going to reduce crime, and I think it is a misguided reaction to addressing a criminal issue.

I think there are lots of examples that we can easily think of. I believe the Member for Edmonton-Strathcona spoke of, say, a teenager breaking into a house, maybe a young drug addict who is breaking into a house to steal a television set or money to pay for the drug dose and injures himself and ends up in the hospital. Is the idea – and, presumably, it is for this government – that the government is then going to take this kid to court or take his family to court to try to recover the costs of that health care treatment? Think this through for a minute. How likely is it that we're going to recover anything from that person? Pretty unlikely. What are the cost-benefit analyses of this? How much is it going to cost to go after somebody like that in court? What are the likelihoods of benefits?

What are the unintended consequences of this? I mean, what is the impact, for example, on the person's family if it's a person on whom other people depend for income? Let's imagine it's a father of children or a mother of children who is caught in this situation. Committing a crime: we all agree that crime should be punished, but if there are significant health costs as a result of some activity from that crime, if there are children of the criminal who is involved in the crime and their parent is hauled up in front of a court to have their assets stripped, what are the consequences of this? What's going to happen to those kids?

Is this even the right approach to crime? Is it the sort of thing that is realistically going to diminish crime rates? I can't imagine that it is, Mr. Chairman. In fact, I think there's a possibility that it will inadvertently make crime problems worse. It will encourage people to fight criminal charges more aggressively. It will discourage them from plea bargaining. It will discourage them from pleading guilty and getting treatment if they've committed their crime because of a drug addiction. I just can't see the rationale in this.

Now, if the Minister of Health and Wellness or the Minister of Justice or anybody else can put forward a compelling case of how this is going to work, I'd be interested.

**Mr. Liepert:** I'd be happy to.

9:20

**Dr. Taft:** Okay. The minister has promised he will, so I will look forward to him engaging in this debate.

I think that the notion of this amendment makes sense. I think that there's also a risk from some of the analyses we've read that the constitutionality of this could be challenged, or it could be challenged as violating the Canada Health Act. So I'll look forward to the Minister of Health and Wellness debating on this and explaining why their position makes sense. I welcome him to take the floor.

Thank you.

**The Chair:** The hon. Minister of Health and Wellness.

**Mr. Liepert:** Mr. Chairman, I was unable to be here last night, and I don't have the privilege of *Hansard* or the Blues in front of me, but I do have the *Hansard* of second reading debate of last week. I read with some interest. It's late at night, so I'm not sure that I have the right words to describe it, but, you know, the hypocrisy of our friends across the way. I'm suggesting that it is all right to go after tobacco companies, but it's a legal product that is being sold, and we're going to go after them if we so choose. That's all right. That's okay for them. It is not all right in their eyes, Mr. Chairman, if someone commits a criminal offence. Somehow that person or that individual is less guilty than the tobacco companies. That is complete hypocrisy.

Let me give you an example, a purely hypothetical example. You have an individual who decides in the middle of the night to break into the Calgary Zoo. He goes one step further and decides he's going to break into the tiger cage and challenge the tiger. Purely hypothetical, Mr. Chairman. Guess what happens? The tiger takes on the character, and he's hospitalized for quite some time. Who's paying his hospital bill? All of us as taxpayers. Because some hypothetical individual decided to take on a tiger in the middle of the night. He's charged, and he's convicted of a criminal offence. Is that any less of a reason to go after an individual for health care costs than it is to go after tobacco companies? I don't think so. Well, why is it?

**An Hon. Member:** Bleeding hearts.

**Mr. Liepert:** That's right. Bleeding hearts. That's what we've got over there, Mr. Chairman.

You know what? This amendment – the Member for Edmonton-Centre stands up and says that they'd like to delay this so they could hear from independent thinkers like the John Howard Society. I cannot believe that's who we're going to hear from and get an unbiased opinion on whether what we're doing is right or wrong.

**An Hon. Member:** How about zookeepers?

**Mr. Liepert:** You know what the zookeeper would say? The zookeeper would say: go after that guy for his health care costs.

Now, the Member for Edmonton-Riverview just talked about: how is this going to be a deterrent to criminal activity? Well, let me tell you, Mr. Chairman. Let's talk to Mothers Against Drunk Driving. That is a criminal offence, and when someone gets behind that wheel, decides to drive that vehicle, ends up in an accident, ends up in our health care system, and costs the system hundreds of thousands of dollars, that's not necessarily a poor individual. That individual may be very wealthy, and if we have the ability to go after that individual for those health care costs because he or she has created a criminal offence, I think we owe it to the taxpayers of Alberta to have that right to make that decision.

I promised the Member for Edmonton-Riverview I'd give him a couple of examples. I have. I don't want to delay it too long. I suggest, Mr. Chairman, that we should defeat this amendment, get it over with, pass this particular piece of legislation, and get on with it.

**The Chair:** The hon. leader of the third party.

**Mr. Mason:** Thanks very much, Mr. Chairman. Well, I think the hon. minister of health is kind of making a zoo out of this proceeding. I think there's a complete disconnect between his approach and what I think is sensible and reasonable to do. This minister is a master of the Trojan Horse to get in the door on what's obviously, you know, an unpopular case. I'll give you an example: the transgender surgery issue. It was a way of introducing delisting of existing services by picking on a vulnerable group that didn't have much political support. Chiropractors might by some be considered to be in the same boat.

Now, no politician has ever lost votes by picking on convicted criminals. You know, they've refined this to a fine art in the United States, but the fact remains that there is criminal law, which prescribes penalties for criminals, and it involves the loss of your personal freedom. It does not take away all of your basic human rights, but it prescribes specifically what the penalties are. What this minister is doing and what's clear from his comments is to turn the health care system into a means of punishment for those individuals who he thinks are not responsible or criminals or whatever. What this looks like to me, Mr. Chairman, is the first step to charging people for their health care costs not based on their medical needs but based on other factors, in this case behaviour.

Now, I think that you could extend this, I suppose. You could say that a government that makes major mistakes in the delivery of health care, for example, is – well, it's not a good example because they're financially irresponsible anyway. [interjections] You could say, yeah. Thanks very much, hon. members. I think there are lots of stupid behaviours. Let me just put it this way: lots of stupid behaviours that might make someone liable, if we took this logic to extreme, for their health care. If somebody graduates from a university and then turns out to be not too bright and makes a bad mistake, maybe the government will be looking to get them to pay back their costs of their education.

This is really going down the wrong road, Mr. Chairman. What we're really seeing here is the thin edge of the wedge, the first attempt to say that the government is not responsible, that the health care system is not responsible for provision of health care to those who need it, that if their behaviour is inadequate in some way that doesn't satisfy the government's sense of what is acceptable behaviour, they can then be charged for their health care costs. I would strongly suspect that if this is passed, there are going to be other examples.

Based on the minister's comments, I think it's clear that he has in mind recovering health care costs from people and eliminating the basic principle that we have, which is one payer. We have a one-payer system. The Premier and the health minister have repeatedly said in the House when we ask them about private health care – they dodge it by saying that it is going to be publicly funded, but this is an exception to that principle. This is not publicly funded. This is charging people, sending them the bill like they do in the United States for their health care. To me this is nothing but a very sneaky way to begin undermining the principle of a single-payer health care system.

I don't think it has anything to do with criminals at all, Mr. Chairman. I think they wanted to bring forward a bill. The camouflage of this bill is charging tobacco companies, which consistently work to produce products that everyone knows are damaging to their health, and it's generally accepted that they have some liabilities. This has been established in the courts, certainly in the United States, and there have been some major settlements. So on the basis of that camouflage, they're slipping in something much more insidious, and that is that we're going to take a category of person and start charging them for their health care.

9:30

Is the next step then, Mr. Chairman, to charge people for other reckless behaviour? Are we going to start charging smokers? Are we going to start charging other people who engage in somewhat risky health behaviors? If someone gets a sexually transmitted disease, are they going to start charging them for their treatment? Where will this lead us? I think that this is a very, very dangerous, slippery slope, and I think this amendment is absolutely essential to preserving the principles upon which our health care system is based, and that is that there is a single payer. Without that principle, Mr. Chairman, we're opening the door to a very, very serious undermining of our public health care system.

I think that people need to look at this not as, you know, punishing criminals, who have already been punished by the courts – and there's legislation to provide for that – but, in fact, to establish a principle that in certain instances people are responsible for their own health care. The minister has used the case of some individuals in the Calgary Zoo who – and I don't know if they were drinking or what the problem was – got into a very, very bad situation. If someone speeds and gets into an accident, are they responsible for their health care? Are they responsible for the health care of the people that they were involved in the accident with? Or what about other people that were in the vehicle? I think this is a dangerous precedent, and I think that all hon. members really need to think very carefully about what is actually intended here.

Maybe some members get this and this is a direction that they'd like to see, but then I think they should just say so. They should stand up and say: "We're Progressive Conservative MLAs, and we don't believe that the health care system is responsible for the cost of necessary medical treatment. We think that depending on your case, either we'll pay for your medical treatment or we won't, depending on our judgment about your behaviour and whether or not it's acceptable to us." If that's what they want to say, I think that they should stand up and say it and let the people of Alberta judge

whether or not that is, in fact, the kind of government that they want to see, the kind of MLAs that they want to see responsible for their health care system because that's exactly what it is.

Mr. Chairman, I would urge all members of the Assembly to support the amendment to Bill 48, the Crown's Right of Recovery Act. I think that the people of Alberta will benefit very significantly if we stop this pernicious and insidious section of this legislation.

Thank you.

**The Chair:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Thanks, Mr. Chairman. I'll keep my comments brief. I want to say on the record that I appreciate the minister of health wading in and debating. I thought there were good responses there, and I also need to respond. Fundamentally, what we have here are two different approaches. It sort of feels like an Old Testament, New Testament sort of difference; you know, an eye for an eye, a tooth for a tooth. If somebody does something wrong, you punish them versus an approach in which you try to solve a problem. I feel like on this side in the Official Opposition and the third party we're more interested in solving the problem than just handing out moral judgment.

The example of the drunk driver, I think, gets exactly to the point that I was trying to make about unintended consequences. Let's imagine for a moment, with the Christmas season coming up, at the end of an office day a woman working in the office goes out with some of her friends for a few drinks and makes a terrible mistake in judgment, gets in a bad accident on the way home, which leads to serious health costs. She's on her way home to see her kids and her husband. If the family is bankrupt because of the health costs, who's really paying? The kids and the husband. I think that's exactly the kind of misguided or unintended consequence that's going to too easily happen if this legislation passes.

I also think, just building on what the Member for Edmonton-Highlands-Norwood said, that this is a slippery slope. If we start going after criminals for health care costs, who's next? Are we going to go after the obese for health care costs? Are we going to go after smokers for health care costs? Are we going to go after the elderly for health care costs? Where does it stop? This goes against the whole philosophy of sensible health care. It'll be a big win for the lawyers and maybe someday for insurance companies, but it's not good public policy.

I will finish my comments by just saying that there's a clear difference, at least in my mind, between going after big tobacco corporations versus going after individuals. Large tobacco corporations, who make billions of dollars, exist as corporate entities. Totally different legally than going after an individual. There is a big difference there in my mind, Mr. Chairman.

Obviously the minister and I disagree on this one; that's what these debates are about. But I will repeat that I appreciated his getting up and putting his cards on the table.

Thank you.

**The Chair:** On the amendment, the hon. leader of the third party.

**Mr. Mason:** I want to add one last category to my previous comments. You know, what about people who take risks in a recreational sense, for example? What about extreme athletes? What if somebody, you know, goes flying down a steep ski slope and breaks their leg? What about a parachutist who falls and injures himself? There are lots of people whose behaviour costs the health care system money. Is it the government's intention, is it this minister's intention that we will eventually get to the point where all of those people are having to pay for their health care? That's what

they do in the United States. That's not what the people of Alberta want to see.

**The Chair:** The hon. Minister of Health and Wellness.

**Mr. Liepert:** Let's be clear, Mr. Chairman. And this member knows exactly what's in the legislation. The legislation is very clear: convicted of a criminal offence. I don't recall any skiers going down a hill who have been charged and convicted of a criminal offence. So as is typical with this particular leader, he's – well, we'll just leave it at that, Mr. Chairman.

**Mr. Mason:** You know, we're talking here about the extension of the principle that the minister is establishing in this legislation, and he knows that.

**The Chair:** Any other hon. members wish to speak on the amendment?

Seeing none, the chair shall now call the question.

[Motion on amendment A1 lost]

[The clauses of Bill 48 agreed to]

[Title and preamble agreed to]

**The Chair:** Shall the bill be reported? Are you agreed?

**Hon. Members:** Agreed.

**The Chair:** Opposed? Carried.

The hon. Government House Leader.

9:40

**Mr. Hancock:** Thank you, Mr. Chairman. I'd move that the Committee of the Whole rise and report Bill 48.

[Motion carried]

[The Deputy Speaker in the chair]

**The Deputy Speaker:** The hon. Member for Olds-Didsbury-Three Hills.

**Mr. Marz:** Thank you, Mr. Speaker. The Committee of the Whole has had under consideration a certain bill. The committee reports the following bill: Bill 48. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

**The Deputy Speaker:** Does the Assembly concur in the report?

**Hon. Members:** Concur.

**The Deputy Speaker:** Opposed? So ordered.

## Government Bills and Orders Third Reading

### Bill 48 Crown's Right of Recovery Act

**Mr. Liepert:** I move third reading of Bill 48.

I think there's been adequate debate on this bill, and I would encourage all members to support Bill 48 in third reading.

**The Deputy Speaker:** The hon. leader of the third party.

**Mr. Mason:** Thank you very much, Mr. Speaker. I rise to speak to third reading of Bill 48, the Crown's Right of Recovery Act. I want to just indicate that I think there are some positive things in this bill. Certainly, the role of tobacco companies in promoting products which are known to kill has been a very, very serious problem for the health care system. Governments in Canada and the United States have tried to deal with this situation. In British Columbia, New Brunswick, and Ontario they have already launched lawsuits against tobacco companies, and Quebec, Saskatchewan, Manitoba, Nova Scotia, and Newfoundland and Labrador have also introduced legislation allowing them to sue tobacco companies. In 2005 a Supreme Court of Canada ruling unanimously upheld the constitutionality of the B.C. legislation. So, you know, other provinces have gone down this path ahead of Alberta, and I think that there is real merit in doing so.

Provisions regarding tobacco companies have received the support of the Canadian Cancer Society and the Edmonton tobacco reduction network. Mr. Speaker, I do make a very clear and strong distinction between suing tobacco companies, who make their business and make their profits by producing and marketing products that are known to cause cancer and death and all manner of other diseases, many of which are fatal. These companies are not being charged for their care. They're being charged in civil court for liabilities that they incur and costs that they impose on the health care system, that has to take care of the people who have consumed their products, but they are not being charged for their health care. That is a fundamental difference that the minister doesn't see.

When we get into the other provisions of the act, that we tried to amend just now, we have the government deciding to attempt to recover health care costs from individuals based on their behaviour. Of course, they've picked convicted criminals because, you know, who in their right mind would stand up and defend convicted criminals? They are the perfect victim, as far as this government is concerned, because they have almost no social status, and no one is prepared to stand up for them. In fact, what the government is doing is charging them for health care. That's something that we have always opposed in this country. This is a fundamental question which underlies our entire approach to health care in this country. I dare say that we may find that this provision of the act would be challenged and found wanting. I just want to raise that question, that I'm not convinced at all that this legislation will stand up in the courts.

It's unfortunate that the government has chosen to include these provisions because it amounts to, in my view, a poison pill, which makes the act impossible to support. I regret saying that because I strongly support the ability to recover costs from very profitable corporations that market tobacco, but I wouldn't support taking away or charging the CEO or the board members of those companies for their health care. That would be crossing a line and making something entirely different out of a situation.

It's extremely unfortunate that this government has not done what the other provincial governments have done and just given us a straight-up piece of legislation that allows us to sue tobacco companies for the costs that they impose on our health care system. That's what was done in other provinces. But, no, this government and this minister had to mix it up, had to combine a legitimate exercise of the legislative authority of the province of Alberta with another misguided attempt to undermine our health care system. That's what we've seen from this minister time and time again. We saw it when they started to take away things that were funded under the health care system. We've seen it repeatedly when this minister gets into the health care system. We see that it is consistently being

undermined and turned into something very different from what most Albertans, I think, want.

Unfortunately, Mr. Speaker, because he's combined two things here that ought not to have been combined, one of which I strongly support and another which I strongly oppose, I'm unable to support this bill, and I would urge all other members to do the same.

Thank you.

**The Deputy Speaker:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Yes. Thank you, Mr. Speaker. I haven't had a chance to speak to the parts of this legislation that I like yet, so I want to speak to them briefly now. Our caucus, actually, strongly supports the idea of suing tobacco companies for the damages that they have created. I think people are widely aware that the tobacco industry has for decades practised enormously deceitful marketing on the public, and I think evidence continues to come out from the archives of the tobacco industry that they knew long, long ago that tobacco smoking was causing illness and death. They knew that in the '60s, in the '50s. They had solid scientific evidence, and they kept it buried. They denied it, they lied, they misled, and they profited off death. I don't think there's any other way of putting it. So I have no compunction at all about going after those corporations, and I encourage the government to do so aggressively and squeeze them as hard as possible.

9:50

I want to acknowledge the good efforts of the many antismoking and tobacco-reduction organizations who have put in for many, many years hard hours of effort and countless amounts of time and commitment to fight back against the tobacco industry. We're seeing the results of that. This government has done some of the right things in raising taxes on tobacco and taking other steps to discourage tobacco use. This is one more step in that direction.

But as the Member for Edmonton-Highlands-Norwood said, taking all that good stuff and then folding in the other components that we tried to take out through the amendment in committee just taints what otherwise was a really good idea. It's kind of shameful. It feels like it's underhanded and unbecoming. If the government wanted to deal with that issue concerning recovering costs from criminals, then why not do it in its own piece of legislation? Why sneak it through undercover? I think that reflects badly on this government. It's unnecessary and poorly managed, and I think that for that reason, frankly, I don't feel like I can support this legislation. It's too deep a betrayal of what to me would be good and responsible government, so we will be opposing it.

Thank you, Mr. Speaker.

**The Deputy Speaker:** Any other hon. member wish to speak?

Seeing none, the chair shall now call the question.

[Motion carried; Bill 48 read a third time]

#### Bill 51

#### Miscellaneous Statutes Amendment Act, 2009

**The Deputy Speaker:** The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Speaker. I move Bill 51, Miscellaneous Statutes Amendment Act, 2009, for third reading.

**The Deputy Speaker:** Does any other hon. member wish to speak on the bill?

The chair shall now call the question.

[Motion carried; Bill 51 read a third time]



**Bill 54****Personal Information Protection Amendment Act, 2009**

**The Deputy Speaker:** The hon. Member for Calgary-Egmont.

**Mr. Denis:** Thank you very much, Mr. Speaker. I hereby move Bill 54 for third reading, the Personal Information Protection Amendment Act, 2009.

I had some further comments prepared, but most of them have been repeated in past readings, and I will conclude my comments with that.

Thank you.

**The Deputy Speaker:** The hon. Member for Edmonton-Gold Bar.

**Mr. MacDonald:** Yes. Thank you very much. It's a pleasure to rise and get another opportunity to speak on Bill 54. There has been a lot of discussion on this bill. Certainly, a lot of the legislative framework that's presented in this bill is reflective of the all-party committee that was struck. If this bill were to be adopted – and I'm sure it will be – there will be new standards for organizations intended to make compliance easier. There will be new notification standards for organizations. Also, there are some timelines that will be changed, and there will be changed processes for the commissioner as well.

I think, certainly, that when one looks at this, it is at least a step in the right direction. We on this side of the House are pleased that the government has finally gotten around – it's almost two years later – to incorporating some of the suggestions of the all-party committee. But we have to be wary and mindful of some of the discussions that occurred around this bill, and I'm sure all members of the Assembly are.

We have to note the views of the Information and Privacy Commissioner, I believe, before we conclude debate at third reading. We talked about this earlier in debate, but the Information and Privacy Commissioner released a statement near the end of October declaring that his office was extremely disappointed that the government at this time, through this bill had not opted to bring all nonprofits under the scope of PIPA. The commissioner argued that the limitations of the act would create confusion and allow certain nonprofits to operate with very little, if any, supervision. I hope that at some point we can take heed of the concern by the Privacy Commissioner and make sure that his view and his opinion is respected, and hopefully in this case it won't be a serious matter. It could be, but hopefully it won't.

While there is a lot in this bill that is very reasonable, a lot has changed when it comes to the way businesses and nonprofits collect and use personal information. We need to make sure that the debate on this bill is not rushed through the Assembly. I don't think it has been in this case.

In conclusion, I would like to thank the hon. Member for Calgary-Egmont for his work on this bill. Hopefully, this will make our information laws sounder in this province, and hopefully the concerns or the cautions that were expressed by the Privacy Commissioner will not turn out to be a significant barrier for our information and privacy laws.

Thank you.

**The Deputy Speaker:** Any other hon. member wish to speak on this bill?

Seeing none, the chair shall now call the question.

[Motion carried; Bill 54 read a third time]

**Bill 55****Senatorial Selection Amendment Act, 2009**

**The Deputy Speaker:** The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Speaker. I would move Bill 55, the Senatorial Selection Amendment Act, 2009, for third reading.

This very straightforward bill simply extends the life of the act from 2010 to 2016 but is very important for Albertans. It's very important for Albertans because it keeps in place the mechanism which allows us to decide to hold another provincial Senate selection election in order to make sure that we have elected Senate candidates available for the federal government to appoint if and when a vacancy should come open. Very important for Albertans because we still await the movement by the federal government in reforming the Senate in the way it should be reformed so that we can have an equal, effective, and elected Parliament which represents not only the population basis of the country but also the regional interests of the country.

Mr. Speaker, I would ask for support for this bill.

**The Deputy Speaker:** The hon. Member for Calgary-Currie.

10:00

**Mr. Taylor:** Thank you very much, Mr. Speaker. It's a pleasure to rise in third reading to debate this incredibly thin bill. There's really not much to object to in this bill since, as the hon. Government House Leader said just a moment ago, it simply extends the sunset clause for the senatorial elections until December 31, 2016.

I'm of a couple of minds about this. I can't help but notice that we seem to manage fine here in the province of Alberta with just one house of parliament, and all provinces except Quebec manage with just one Legislative Assembly, one legislative body. If one wanted to, I think you could extend that into an argument that, well, you know, we've been watching this triple-E proposal – elected, equal, effective Senate – limp along that now Senator Bert Brown first proposed back in the last century. Just nothing substantial yet, in my view, has come of it, so you could make the point of view that maybe we should just do away with the Senate, or maybe the federal government should just do away with the Senate since, obviously, it's not our job.

To those of us – and I count myself as one – who think that the concept of a triple-E Senate is a darn fine idea, all I would like to say is that I would like to urge the government of the province of Alberta to do within its power whatever it can to cajole, coerce, lean on, persuade the federal government to get going on this. You know, I suppose having Senators-in-waiting – and the hon. Minister of Sustainable Resource Development was a Senator-in-waiting for a number of years and got left at the altar . . .

**Mr. MacDonald:** I didn't know he was a Senator-in-waiting.

**Mr. Taylor:** Yes, he was. He was. His period of waiting expired in 2004 if I remember correctly, hon. member. Yeah. September 20, 2004, he sort of lost the gig that he never got, but he got one in here, so I don't suppose it mattered too much to him.

The notion of having Senators-in-waiting that were elected by the people of Alberta is a bit of an improvement, but it's a theoretical improvement, really, in many respects if you don't have a government – we've seen times when we did have a federal government that would appoint an elected Senator from Alberta to a Senate vacancy, and we've seen times when governments wouldn't. When they don't, you know, it doesn't really do much good to have an elected Senator-in-waiting waiting for an appointment that never comes.

Even if every Senator that we elected was appointed to fill Senate vacancies in the federal Senate, even if the other provinces decided to follow our model and start electing their Senators, we still have two very fundamental problems here, that the Senate is not equal and not as effective as it could be. You know, the rationale behind the triple-E Senate has to be the American model, the bicameral houses of Congress, where you have the House of Representatives, which is representative by population, and you have the Senate, where you have an equal number of Senators from every state, and it's a counterbalance on the rep-by-pop approach. Makes sense. California has the same population as Canada, 34 million. Montana has fewer people than cows, you know? It does.

**Dr. Taft:** So does Alberta, actually.

**Mr. Taylor:** Well, the hon. Member for Edmonton-Riverview might be right. We might have more cows than people, too.

But the point is that having two Senators from Montana gives the people of Montana the ability to balance off the disadvantage that they have in the House of Representatives when, you know, their representatives are overwhelmed by the number of representatives from the state of California, for instance.

There's some wisdom behind this. I know that from conversations I've had with Senator Brown going back many years, he is a firm

believer and a firm proponent of the entire triple-E concept. One E out of three is not good enough.

Mr. Speaker, I would urge the Government House Leader and all members of the government to start a massive lobbying effort, even if you have to register, to talk the federal government into taking further action on this so that the concept of the triple-E Senate can come to full fruition.

Thank you.

**The Deputy Speaker:** Any other hon. member wish to speak on the bill?

Seeing none, the chair shall now call the question on the bill.

[Motion carried; Bill 55 read a third time]

**The Deputy Speaker:** The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Speaker. I move that the House adjourn until 1:30 p.m. tomorrow.

[Motion carried; the Assembly adjourned at 10:06 p.m. to Thursday at 1:30 p.m.]







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