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The Honourable Kenneth R. Kowalski, Speaker

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Legislative Assembly of Alberta

7:30 p.m.

Tuesday, November 24, 2009

Government Bills and Orders Committee of the Whole

[Mr. Mitzel in the chair]

The Deputy Chair: Hon. members, the committee is back to order. Please be seated.

Bill 50 Electric Statutes Amendment Act, 2009

The Deputy Chair: When we adjourned this afternoon, we were on amendment A1. Are there any comments or questions? The hon. Member for Edmonton-Centre.

Ms Blakeman: Well, thank you very much, Mr. Chairman. I just can't tell you how thrilled I am. I've tried really hard to listen to all of this debate – we're now, I think, more than a week into the debate on this bill – on the Tannoy if I was back at the Annex, and if not, I have tried to follow along by reading *Hansard*. I cannot believe I did that, but I tried.

Currently we are speaking to the government amendment which is on the floor with no subamendments. It doesn't seem to me that anybody has actually spoken directly to the government amendment that is on the floor, so I'd like to do that. Once the amendment has been dealt with, I'd like the opportunity to seek the chairman's permission to stand again and just speak more generally on the clause debate in Committee of the Whole.

Going back, I was going through my file, and I was noticing that, you know, I started to collect e-mails and letters and such from people back in the summer, which makes sense because the minister put this on the floor in the spring session so that there would be the opportunity for people to give him some feedback to the bill, thus all the wonderful people that I've had an opportunity to correspond with. But in listening to the debate and reading the correspondence, these are the issues that I've been hearing over and over again: the question of need, the question of crisis, the question of public consultation, the question of cost, the question of cost paid by others – I think we could refer to that now as the Lexus argument – the reliability of the line, and the question of whether the lines are for us or for export. There have been sort of subquestions there about how fast this needs to proceed, who pays, and who decides. As I see it, those are the issues that are live in this particular discussion.

What we saw coming forward in the government amendment was an attempt, I think, to address some of the criticism that had been levelled over the summer and, indeed, some of the issues that I just highlighted in that sort of shopping list. The first is section A, which deals with the needs question, as I understand it. I'm sure that if I'm wrong, the minister will be happy to correct me. He certainly didn't hold back from correcting anyone else. I think that what I see in the government's attempt to correct this is that we didn't really correct the problem with this amendment. The bill continues to bypass the needs identification process. So the changes that are being proposed by the government don't actually do anything to address that concern.

We have the original wording that the Alberta Utilities Commission Act does not apply to critical transmission infrastructure. Now we have a subamendment here that's being put in under section (2), which is being added under the original section. It clarifies, essentially, that other hearings are still in play, that they remain, that

they're accessible, such as for the siting of the lines. The minister has been very clear that that continues to be available, but it's not what's being addressed here. The section actually only deals with the AUC's role independent of government to assess the need for the transmission lines. If the commission cannot give consideration under 17(1) to whether that critical transmission infrastructure, which is a term I keep seeing come up, is required to meet provincial needs, then 17(1) itself no longer applies. It should be as simple as that. So I'm arguing that there's no substantive difference made to Bill 50 by what we see in what we're calling amendment A.

If I can go on to section B of the amendment, which is amending section 2(6), appearing at the bottom of page 7, if you have a paper copy of the bill. Otherwise, it's essentially appearing under subsection (9). What's happening here is that there's a whole other piece being added in on staged development, 41.4 The previous section was 41.3. This is a whole big section that gets stuck into the bill as an amendment.

What we've got here is mostly around language: critical transmission infrastructure, CTI. Okay. It's subject to regulations, to "specify and make available to the public milestones that the Independent System Operator will use to determine the timing of the stages of the expansion of the terminals." But what's missing here is what the timing is.

It's one thing to come forward in the act and say: "All right. We're going to give stages. We're going to implement stages, or milestones, into the bill." Fair enough. But part of this was the issue around a sort of larger understanding of timing. If you tell me that you're going to do this in stages but you don't tell me how far apart the stages are – they could be a week apart, a month apart. I don't mean to be frivolous but quite genuine in saying that you haven't resolved the problem. To tell me that this is going to be staged and then not tell me what the increments are in the staging is not helpful. It doesn't move the issue ahead, or it doesn't resolve the issue that people were concerned about. So it talks about those milestones.

The second piece of it is that the facilities that are referred to "shall be developed in stages in accordance with subsection (3)." Subsection (3) talks about that the schedule shall be developed first, may initially be energized at 240 kV, and the ISO shall, subject to the regulations, specify, et cetera, et cetera. It says it's going to be staged and then doesn't tell us how far apart or even give us an example. Is it a year, or is it five-year increments? Nothing. If you don't give me those increments, it didn't make this meaningful. So that's not going to help.

Moving on to the next section, which would appear as amendment C, which, for people following along on the paper bill, appears on page 10. Again, it's another whole piece that gets inserted. It's under section 2(12)(b), and following (1)(v.4), we're inserting section (v.5). This talks about the establishment of a committee with the ISO, representatives of customers, and other persons determined by the regulation, which again gives us no detail, to provide records to customers in relation to construction of transmission facilities. This one I think is getting a little closer to what I was looking for in that it's supposed to be giving these records in relation to costs, scope, and construction schedules of the transmission facilities.

The second piece of it is that the records of the ISO, transmission facility officers, and persons directed under different sections must be provided to the committee for the purposes of doing the first, which is to provide that to the public that have asked for it. Essentially, this is giving the public more information on the lines, but again what's missing here is a timeline. I take it that this information gets passed on but once everything has already been approved.

7:40

Do you know what it reminds me of, Mr. Chairman? It's the whole process that we get involved with in trying to get information around P3s, especially around P3s but also around any kind of contract that the government does. We have a process in which the requests for proposals, or the old-fashioned concept of tendered bids, are always closed. We see the very initial request that the government puts out, but it's not very specific. We have no idea how the various entities are responding and what they are agreeing that they will do or not do to what level. We don't get to see that because it's always a closed process. From that the successful bidder is chosen, and they enter into a contract with the government. Then when we try to get information at that stage, we're told: "You can't see the contract. It's a contract with a third party, business product, blah blah blah. Sorry. You can't see it." So the public, the media, the opposition never get a chance in that process to see things.

When we were trying to determine, for example, how cost-effective it was and what was included and not included in the contracts for some of the P3s – the courthouse is one that comes to mind, and of course that one didn't proceed – we actually couldn't get any information about it. This process is a little bit similar, to me, because it says that the information will be provided, but it's provided once all the deals are made, all the contracts are out, and the thing is under construction. "Now you can have the information about it." Nice but not very useful because what are the people that now get this information supposed to do with it? Stand on the highway or down the middle of the right-of-way and go: "Excuse me. I've now got information, and I wish you hadn't done this. I have information that says that you could be doing it cheaper. Whoa. Stop. Don't put that up." You know, it's kind of lip service. It's addressing part of what people were so angry about but not in a way that ends up being meaningful.

You know, if pressed, I would say that, yes, I would support this particular section of the amendment more than I would support the previous two, but I kind of wonder what difference it would make.

Let me move on to D, section 2(13), which is appearing on page 12 of the hard copy. I'm sorry if I back up a bit. Here they're replacing the sections that you see currently and giving what is in effect a staging of the line that is supposed to go up to Fort McMurray. If you read the two of them, what was and what will be in this amendment, you get two different versions of it, but essentially it creates a staging for that line.

There's something else in here. In section (2) it talks about that the terminals should have an initial capacity of at least 1,000 megawatts each and be expandable to a minimum capacity of 2,000 megawatts each. Interesting. Remember that earlier I was talking about a reference that will turn up. This is the reference that turns up. It proposes that the lines can go forward in stages rather than all at once, and it's adjusting, as I said, in a minor way the connection between Edmonton and Fort McMurray to allow for the staging of that. Now, unless I've missed something, this is not dealing with the one that goes between Edmonton and Calgary.

I think the argument here is that it can get at that charge of overbuilding, the kind of Lexus complaint that we've heard, that with these lines, which are the HVDC lines, which are the more expensive technology, if it was felt they were overbuilding: you could see this amendment as addressing that. It allows it to kind of back off of that gold-plated status. But we're still getting that jump from 1,000 to 2,000 and no details in there about a minimum of one year in increments or a minimum of six months or five years. There's no timing involved with that. So, again, part of the same problem. You get a gold-plated approach, but it's a staged gold-

plated approach. It doesn't really change the principle of the bill. Again, if I was pressed to it, it does include the staging, it does deal with the gold-plated, but it doesn't have a huge effect on the final shape of the bill.

Section E is amending section 19, which is on the bottom of page 12, and striking out "or is not in the public interest." Again, this is looking to me as though it's a cosmetic change that does not address any of the major issues that have been brought forward. It removes one of the restrictions in section 3 that was placed on the Alberta Utilities Commission, but it leaves in place others of equal import and force. So it's not even one step forward, two steps back; it's one step sideways, and another one back. It's just another dance step that leaves you standing in exactly the same position where you were.

The commission is still prevented from saying whether or not the transmission lines are needed. You know, what it reminded me of is a toggle switch. What you get is an off/on position. All we're allowing in a number of places in this bill is for the agencies in power to say yes/no but not anything else and not to deal with anything else.

I think the government – well, the government clearly set out in this bill to do something very specific. They feel justified in doing it. But, frankly, based on everything I've seen since and listening to the debate that's happened, there are a lot of experts not in this House – and that's not casting aspersions – who are questioning whether this is needed and how fast it proceeds and how expensive it is. There were a lot of them.

We had the University of Calgary School of Public Policy. I mean, there are statements like: "It is less likely that project approval and conditions will be driven by short-term political interests and more likely that the regulator's perspective will reflect long-term benefits and costs to the province." Then it goes on to talk about: "A public process allows for greater scrutiny of alternative points of view and . . . [requirements] to provide . . . rationale." So they don't seem very keen on it.

We had the Environmental Law Centre saying, "Instead of enhancing the transmission approval process, Bill 50 would make the problem of needs assessment and approval for transmission infrastructure in Alberta worse."

We had EDC Associates for the Utilities Consumer Advocate: "Much of the data and logic presented by AESO is unconvincing and overstates the sense of urgency."

We had the Industrial Power Consumers Association of Alberta: "Forcing a new transmission build program on existing ratepayers that will treble and potentially quadruple transmission costs in the next 10 years, without any cost control or oversight mechanisms . . ." They go on.

7:50

One that I would have thought would have been a favourite of this government, which is the Fraser Institute, you know, with commentary like: "That's nonsense . . . Although transmission upgrades in Alberta are needed, the growth in demand for electricity has actually slowed in recent years and the network operators have determined there's no imminent adequacy gap under even the worst scenario." [Ms Blakeman's speaking time expired] I'll look for another opportunity.

Thank you, Mr. Chairman.

The Deputy Chair: Hon. members, before we continue, may we revert to Introduction of Guests? Are you agreed?

[Unanimous consent granted]

Introduction of Guests

The Deputy Chair: The hon. Member for Airdrie-Chestermere.

Mr. Anderson: Thank you, Mr. Chair. I'd like to introduce to you and through you to all members of the Assembly in this House tonight the 10th LDS Connors Hill Scout group with the Northern Lights Council. Slader Oviatt is one of the leaders here today. He's a very good friend of mine since kindergarten, when we both lived right by Sherwood Park, and actually we both attended Fultonvale in that constituency. He's also a very accomplished outdoorsman. If you want the most random trivia that you have ever heard, in 2004 he actually carried the flag of Sealand. I bet you that no one here knows where Sealand is, but he actually carried the flag of Sealand to the summit of Mt. Muztagh Ata, at an altitude of almost 25,000 feet. It's one of the biggest peaks in the world, in China. We're really grateful to have him. Slader is joined by fellow Scout and Venture leaders Bill Kwatic and Matt Burgess and the Scouts – you can put your hand up when I call your name – Andrew Gayleard, Grayson Gross, Mark West, John DeMaris, Dan Sherman, Dallin Backstrom, Scott LaVoy, and James DeMaris. Could we give them a warm welcome.

Bill 50 Electric Statutes Amendment Act, 2009 (continued)

The Deputy Chair: The hon. Minister of Energy.

Mr. Knight: Well, thank you very much, Mr. Chairman. I do appreciate the opportunity to stand and debate some of the merits of Bill 50. I want to thank the member opposite for presenting opinions and a case in a manner in which it allows, I think, for some constructive debate relative to the issues that you bring up.

Initially you had three questions: how fast, who pays, and who decides? I think, Mr. Chairman, I can go through that, and perhaps there'll be a better understanding at the end of our debate on the relative merits of what we're doing and, of course, perhaps the downside of some of the issues we had prior to the amendments that we have in front of us.

How fast? The situation that we have in front of us, of course, is a culmination of about a decade's worth of work in the province of Alberta by a number of stakeholders. Of course, these have changed over a period of time because prior to 2003 and the new Electric Utilities Act we didn't have the structure that we have today, so this even precedes some of that. How fast is a good question because the initial AESO documentation that indicated the requirement for critical transmission infrastructure had a number of pieces of infrastructure in it that appeared as though they had to all be pretty much put together at the same time. We know that with these amendments and the staging that's going to take place, how fast will be addressed by the amendments. The pieces of infrastructure will be staged over a period of time, probably starting dates spread out over likely something in the neighbourhood of five years. However, that again will be determined by an assessment that would be taken to the AUC after the initial pieces are constructed, so there'll be trigger points that have to be met.

The second thing, Mr. Chairman: who pays? There has only ever in the province of Alberta – well, better not say ever. I believe that since about 1948 – and I think we were talking about this the other day – there was a decision and determination made by the Legislative Assembly of Alberta, I believe, in that period of time, that the system in Alberta would be constructed by others other than the government. So it's always been an independently owned system.

There was a short period of time where there was almost on an experimental basis an opportunity to see if it would make a difference or make things more economic, more efficient if the generators were responsible to pay for part of the transmission system. It was short-lived, but there was a period of time. If my memory serves me right, it would have probably been something in the neighbourhood of five years. I don't recall exactly. It occurs to me that it was prior to the 2003 Electric Utilities Act and maybe sometime just after, something like that.

Anyway, what happened in those days was the system was vertically integrated, so you had a generator, transmitter, distributor, and retailer all piled up. The idea was that if the generator was responsible for part of the transmission costs, they would be more responsible in their business operations as an integrated company to be sure that the transmission costs were not exorbitant. However, I must say that it didn't really achieve anything because, in fact, what happened then was that those costs in those days under the regulated system were downloaded to the generator, the generator took it to the regulator with those costs rolled in, and the consumer still paid the bill. It was no different, really, than it is today. At the end of that scheme the consumers paid for generation, transmission, distribution, and retailing, the same way they pay for it today.

Who decides? Mr. Chairman, in order to address that concern, I have to deviate a bit from the amendment, but I need to address the question because I think it's very important. It is part and parcel of Bill 50 with respect to critical transmission. It's part and parcel not really of the amendment, but it belongs here. So if you would allow me, I need to explain to the House what AESO is. There's been a lot of talk around that AESO is an arm of the government, that AESO does whatever it is the minister wants, whatever the cabinet wants, whatever the government wants, or whatever somebody wants. But let's be clear about this. AESO is a legal entity that's created by the Electric Utilities Act. It specifically provides in the legislation specified that AESO is not part of a ministry, is not a provincial corporation, and is not an agent of the Crown. Its duties and responsibilities are those derived from the Electric Utilities Act and the related regulation, together referred to as the existing legislation.

Now, the connection. AESO board members are appointed by the minister, and thereafter their conduct is governed by the existing legislation. Short of making new legislation or amending the existing legislation, there is no role, no authority for the minister or the government of Alberta to interfere with or to be active in the day-to-day workings of the AESO. They are an independent body. The AESO under legislation must, by law, operate according to a mandate. Their mandate as they approach transmission planning includes things like, by the way, the Edmonton to Calgary reinforcement project. This is where people really feel the AESO is just out there doing something that I directed or somebody directed or because my friends want to do something. That's not the case.

8:00

The AESO under legislation are directed. They must assess the needs of market participants and plan transmission systems to meet the needs. They must make arrangements to expand the transmission system. They must forecast the needs of Alberta and develop plans to meet those needs. They must proceed with timely implementation of expansion. They must prepare and submit approvals to the AUC, and they're doing that. They must forecast future need and plan for transmission to be in place to meet the needs. They must plan a transmission system that can accommodate 100 per cent of the required energy use under normal conditions and 95 per cent under abnormal conditions in the transmission regulations. They must arrange to expand the transmission system so all the foregoing

2 per cent criteria can be accommodated. Exceptions may be permitted but only for limited periods of time and with the approval of AUC.

There's another issue that came up about nonwire solutions. Nonwire solutions under the legislation may be an acceptable exception but only in very limited circumstances and for limited periods of time. Geographic separation of transmission lines must be considered for reliability as well as locating lines in a way that reduces the size of the right-of-way required even if these indications may result in additional costs. It's the legislation that they operate under. We have not directed them to do anything.

That, I think, Mr. Chairman, leads into the rest of who decides. We have a system in the province. Since the Electric Utilities Act of 2003 this business had been set up with a number of units, and I know the member opposite knows them. The changes that took place in '06 with respect to splitting the EUB into the ERCB for an energy regulator and the Alberta Utilities Commission for a utility regulator set up a situation where who decides at the end of the day is always – always – the Alberta Utilities Commission. None of these pieces of infrastructure – not noncritical, not critical – can be constructed, can be commissioned, or can be energized without the authority of the AUC. What Bill 50 does with respect to that, who decides – and please remember what I said about the AUC's responsibility. We have never determined the need. The government of Alberta has never determined the need. The need was determined by AESO independently.

What Bill 50 allows the government to do is approve the need that the AESO determined. After that process takes place, the permit and licensing procedures that go forward will be determined under the existing system that's been in place since 2003. We think it is a very, very good system. It allows for any Albertan – any Albertan – to approach the AUC and ask to be an intervenor, ask for status at the hearings. Some – some – individuals may not be awarded costs, but many will be. We have things like the consumer's advocate. They have a mandate to go before the AUC to act on behalf of consumers in Alberta.

There will be a number of intervenors whose costs would be applied for and covered. I can think of people like, I'm sure, the industrial power consumers, probably people like the chemical producers, perhaps municipalities, and there may be others. But the decision point takes place there, in a quasi-judicial setting away from politicians and away from the possible situation that you might find in some jurisdictions where politics would enter into that decision. The decision rests solely with the AUC. I've explained, I think, Mr. Chairman, that we're not bypassing the needs. AESO identifies needs; we only approve.

The costs. Again, there was quite a bit of discussion there. If I may, the cost oversight committee, something that has never been here, will be here now. I tell you, I really think this is a very good piece of business. What has happened in the past is that you get through needs identification, you get through P and L, you start into procurement, construction, commissioning, and energizing. Mr. Chairman, what happened in the past, before this amendment, is that at the end of all of that and the piece of infrastructure is energized, the AUC then holds a tariff hearing. In the tariff hearing all of the wrapped-up costs, all the costs with respect to that piece of infrastructure, are brought to the AUC, and they make a determination there whether those costs are justified and right for that piece of infrastructure. When they reach an agreement that it is correct, then those costs are rolled into the rate base.

The way this works now – at that point, remember, none of the people that go to intervene in the tariff hearing would have had any opportunity to see the costs beforehand – with this committee they

will be able to track the costs from procurement through construction through commissioning and energizing. When they go to the tariff hearings, they have all of the relevant information that they require to make a proper intervention on behalf of Albertans.

I think, Mr. Chairman, that is definitely a major piece of the amendments that we have in here, the other piece, of course, being talking about the AUC's need to operate in the public interest and the situation with respect to timing. There's the staging. I believe that I've covered most of the points.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, and my thanks to the minister for engaging in that. I guess a couple of observations in response. I think the question of who pays is really a question of a deregulation sandwich or a regulation sandwich. We have the generators as a private entity and deregulated. We have the transmission in the middle, which is handled by a not-for-profit society, which is AESO. Then you have the retail, which is also private-sector driven. Those become your deregulation sandwich. In your regulation sandwich you have the distributor in there as well. I personally prefer a regulated sandwich, but we've moved beyond that in this province, and I don't know how you would try and get back there again. I think that a regulated one ends up being better for the consumer.

Part of what I'm sensing in people's frustration around this bill is the sense that they're going to end up paying, and they don't have a lot of input. Now, the minister clearly disagrees with me and has walked through a system that he believes actually enhances their ability. But I'm thinking back to things like the Boston Tea Party because the point of that was that they threw their tea in the harbour because they were not going to pay taxes on it. They'd rather have thrown it in the harbour than pay taxes on it. The point of it was, you know, no taxation without representation.

What I see happening here is that there is a requirement that the consumer pays. The consumers are looking at this. They are looking at the current situation, they are looking at what the government is putting in place with Bill 50, and they feel that they do not get access into the decision-making process at the critical time, that there is no appeal process that is evident, and that they don't have a meaningful opportunity to halt the way things are going. I think that's the crux of everything. I think that's why people are so frustrated with this bill out there, outside of this building. They feel they are going to end up paying for something.

My colleague has made the point that most of the consumers of electricity in Alberta are not, you know, you and me. They're not individuals. They are the industrial sector and the commercial sector. Those are the people that are really going to end up paying. I think that when we listen to some of the arguments that have been made, including the ones that have been made by the hon. Member for Livingstone-Macleod, who, to give him credit, actually debated this bill and spoke on the record more than once, his point was, you know – and that's always interesting because I find that if there's actually a good argument, people just present the good argument. But when they're a little uncertain about their argument, they end up getting up and trying to belittle their opponent, get up and say, "Well, you're not smart enough to grasp this" and "This is beyond you."

8:10

It was interesting because both times the Member for Livingstone-Macleod did that. He started to make an argument and then went off into just bashing anyone that didn't agree with him: they were stupid

if they didn't agree with him, and did they not understand this? I listened to every word you said, member, and I followed it up.

Mr. Berger: I never said the word "stupid."

Ms Blakeman: No, you didn't use the word "stupid." That's true. You didn't use the word "stupid," but you certainly questioned people's intelligence and that if they were not going to go along with this, they were somehow – I mean, this was the last that you were talking about this afternoon, that if people didn't support this, we were somehow demanding that we go backwards and that there be no improvement. Nobody has said that on this side. That's not what part of the debate is. But it does indicate to me that, you know, if there were really good arguments there, you'd deliver the arguments as you believe them.

The Minister of Energy just did that, and he managed to do it without ever insulting my intelligence, my parentage, my belief system, or anything else. He believed in his arguments, and he put them on the record. I was really interested that not very many members of the government caucus, to be fair, actually spoke on this bill, but for a number of those that did, that was the way they approached it. Rather than putting the argument out, it was about insulting the people that had spoken against the bill, which is always an indicator to me that things aren't going well.

I got way off topic there, Mr. Chairman: Boston Tea Party, representation.

I think the fact that AESO is independent, fair enough. But who sits there to make those decisions, who are the decision-makers, is decided by the government. The government totally controls who ends up being appointed to that decision-making body. I'll just take a bit of a flyer here in my imagination, but I cannot imagine the Minister of Energy even on his most generous day, you know, appointing a known Liberal to that group, for example. I think the political process is involved in this by the appointees to AESO. Although it is supposedly nonpolitical and protected from that, I would argue that who gets on there is the political control. The minister says: well, from then on they're governed by the legislation. Yeah. But how they choose to work their way through that legislation is always in itself a political process.

The other thing: my understanding, and I could be wrong here, on the hearings that he was talking about. Were not those the hearings in which only landowners who were directly affected could participate? I think that there's a number of problems with those hearings in that they have been changed from what people believed they should have been entitled to, whether their costs are covered, how much notice they get, et cetera, et cetera, so their ability to directly affect the outcome is pretty limited.

I'll go on. I think the tariff hearings are part of what I was talking about before. You may get all of that information, but you get it after the fact. The deal is done. The car has been driven off the lot and is out of sight. The fact that you know how much the tires were and how much the windshield was: great. But the car is gone; it's already happened and moved away. I don't see that as, you know, a meaningful participation in the process. Further to that, if it's determined that something was too much, does the consumer get their money back? I doubt it.

I'm going back to my original take on the government motion, which is what is still before us on the floor. I think that, as I often feel with the government, they were trying to address something, but it was more about, "How can we look like we're addressing this?" than "How can we actually do it?" I still don't see a solid appeal process in here. I still don't see the incremental time that I was

asking about that makes those stages meaningful. So I think that Bill 50 is not satisfying the criticisms that have been directed at it.

I'm sure there are others that want to participate in this debate, and I will give the floor to them at this point while I go through the rest of my notes and dig out the next go-round.

Thank you.

The Deputy Chair: Any other members wish to speak? The hon. Member for Edmonton-Gold Bar.

Mr. Liepert: Oh, he showed up.

Mr. MacDonald: Yes. Thank you very much, Mr. Chairman. You bet, hon. Member for Calgary-West, the Minister of Health and Wellness, I certainly did show up.

Mr. Liepert: I wondered where you were.

Mr. MacDonald: Well, if you want to know where I was, I was at Rexall Place, Mr. Chairman, listening to a rather interesting presentation on our transmission system in this province or our lack of transmission planning in this province. There were many people at the meeting. There was a crowd on Wayne Gretzky Drive that was looking to find a place to park. How was it? It was a busy, busy place. I didn't see any Conservative MLAs there, but that doesn't mean they weren't. It was a big crowd.

Mr. Quest: We were here.

Mr. MacDonald: Yes, you're here, and you're welcome to participate, hon. member, in the debate, in the discussion on Bill 50.

Certainly, Mr. Chairman, when we look at the amendments that were proposed last Thursday by the hon. Minister of Energy, if the government thinks this is going to silence the thousands of people who have issues with this bill and with this transmission policy, they are going to be disappointed because the amendments that have been tossed out, whether it's A or whether it's B, C, D, or E, are certainly not what is going to satisfy the people I talked to earlier this evening. The people I talked to have been following this process for quite some time. Some of them have been attending meetings for close to a year.

Last summer there was a meeting in Morinville. There were well over a thousand people, I'm told, at the Agriplex. I would have gone, but I didn't have an opportunity. I did meet one of the landowners. Which constituency did this gentleman live in? I believe it would be Fort Saskatchewan-Vegreville, Mr. Chairman. This individual had land that was going to be intersected or divided down the middle by one of the transmission proposals, and he was very upset. Not only was he upset at how he was going to work on his land, how he was going to get from one piece to the other, but he was upset at this government because he feels that this government is no longer listening to him nor representing his best interests. He was very, very disappointed.

Now, the amendments this evening, Mr. Chairman: are they going to address any of the issues that other citizens who attended this meeting had, other citizens who are very concerned about the size of their bill? If we look at the long-term transmission system plan, we will see where AESO is estimating the monthly cost to be \$8. We had received correspondence from St. Albert where the hon. member there had quoted the same figure of \$8 a month for the cost of these proposed transmission upgrades. But people tonight at the meeting at Rexall Place were not satisfied nor convinced that was the total monthly cost.

8:20

We look at the estimate in the long-term transmission systems plan, and to their credit the board has it broken down. We've got to realize, Mr. Chairman, that the total bill has grown and grown and grown, and we know why. We have eliminated the long-term planning function for a long period of time. This long-term planning function was to grow or expand the transmission and distribution system as the population grew and as the economy grew.

We talked a little bit about this at second reading. Mr. Chairman, that's why we're in the trouble we are now. That's why we have a flawed bill and we have these amendments that are essentially a public relations exercise. The minister and his colleagues are hopeful that this is going to satisfy all the questions that people have raised since June, when this bill was first introduced. They certainly are not.

We heard earlier the minister talk about the needs application, AESO's role in all of this. He's correct, but ultimately the minister is responsible for appointing the board. Now, the AESO may be – may be – independent, but certainly it is the minister and it is this government that are calling the shots and writing or setting the rules by which they operate. Regardless of whether it's the transmission plan or if we look at the latest annual report of AESO, we can see where the problems are.

Now, one of the problems that was outlined to me earlier this evening was the energy policy of this government and the desire to export large volumes of electricity.

Mr. Liepert: There you go.

Mr. MacDonald: There you go.

Now, surely the minister of health has had a chance to read the annual report of the AESO, Mr. Chairman. [interjection] I'm not so certain that he has read all of the fine details in the annual report of the Ministry of Health and Wellness. If he has some spare time, he could certainly have a look at this, and he would see precisely what I'm talking about, and that is the difference – he's distracting me. I agree. Yes.

The Deputy Chair: Tie it into the amendment.

Mr. MacDonald: I will tie it into the amendment through the interties that are proposed in this transmission plan. There are four. There's a potential fifth one over in Saskatchewan, between Fort McMurray and northwestern Saskatchewan, but we'll get to that in a minute.

Now, we look, Mr. Chairman, at the chart that outlines the import of electricity over a period of time and the export of electricity from Alberta over a period of time, the intertie statistics from 2004 through to 2008. Citizens from St. Albert, actually, that I talked to tonight asked directly about the government's plans for exporting electricity. You can go on the hon. Member for Calgary-Currie's computer, and you can see within two to three minutes what this government has proposed for electricity exports. If we look at 2004, we were in thousands of megawatts. Over a million were exported. It has declined significantly through to 2008, where we're about half that capacity. That's for total exports. Whether it's year over year or whatever, it's gone down. We need the power here. We need the power here, and the minister knows that.

The Deputy Chair: Hon. member, I'm having difficulty seeing how you're going to tie all of that into this amendment here.

Mr. MacDonald: Yes.

The Deputy Chair: Please see if you can get to that.

Mr. MacDonald: Okay.

Now, when we look at imports of electricity, and we start at 2004 . . .

Mr. Knight: There's nothing about imports in the bill or the amendment.

Mr. MacDonald: But, hon. minister, we're talking about the interties here.

Mr. Knight: Well, now we can have a discussion.

Mr. MacDonald: You bet, and we should have a long discussion.

The Deputy Chair: Please address the chair.

Mr. MacDonald: Okay. Yes. See, they're distracting me again.

The Deputy Chair: Okay, then. Focus on the chair.

Mr. MacDonald: They're rascals, Mr. Chairman, pure and simple. They're just rascals. Yes.

Now, Mr. Chairman, when we compare 2004 to 2005, 2008, we can see where our reliance on the interties for imports of electricity is very, very important. Regardless of how often this government and its spokespersons say that deregulation has been a success and we have all this generation capacity that's been created, that intertie report changes that because clearly that has not happened.

Mr. Chairman, we can talk and we can tell people and we can explain to people that what the government has done to date is working, that electricity deregulation is in our best interest – it's in the public interest; it's in their economic interest – but that's not so. That information on the flow of electricity into this province and out of this province through the interties tells the real story. It tells the real story.

Now, if someone were to look at this amendment who was at the meeting tonight in Rexall Place, for instance, and they were to see this and they were to read this and it was the staged development of CTI referred to in schedule whatever, Mr. Chairman, the critical transmission infrastructure includes those interties. The question of who pays for them and where has never been, to my knowledge, addressed by this government.

Now, this amendment, as we see it here: if you look at – and I'll be specific – amendment B, “subject to the regulations,” Mr. Chairman, you can clearly see that this regulation could be a blank cheque. We have no idea.

When we look at what started out as a possible \$2 billion tab – and whenever we brought this up in question period about eight years ago, we received the same skepticism from the members across the way as I did when I started my remarks and the skepticism I received from the Minister of Health and Wellness. Eight years ago government members scoffed: it's impossible; that bill will never reach \$2 billion. Now they anticipate that it could be \$14 billion. It could go as high as \$20 billion. That's in eight years.

Mr. Liepert: You should have let us build it then.

Mr. MacDonald: Didn't want to build any infrastructure then. The reason why, hon. member, there was no infrastructure built was because of the chaos and confusion that was created because of

electricity deregulation. Investors weren't going to put their money down. Sorry. Investor uncertainty. You look at the generation side: same thing. Capital Power, as they're called, Mr. Chairman, and TransAlta had a joint venture to reduce risk. This huge bill that we're now looking at as a result of no long-term planning, this megabill, has grown and grown and grown. Generators, of course, don't have to pay a cent of it. That's another reason why consumers, not taxpayers but consumers, are so skeptical of this proposal.

8:30

Now, when we look at the critical transmission infrastructure and we look at the decisions around deciding what is to be critical transmission infrastructure, again, we have to be very, very leery, Mr. Chairman. I would like to point out to hon. members that we're looking at a problem, and I touched on this in second reading. The generation reserve margin is, in my view, a problem that is equal to if not greater than the neglect of the transmission and distribution system that has occurred under the watch of this government. Since generation of electricity is a competitive business in Alberta – and whether that's a good thing or a bad thing depends on who you talk to – the amount of generation developed in this province is determined by market participants, supposedly based on market signals. The Premier today in question period obviously hadn't heard of a location-based credit, the trusty old LBCs, which were a subsidy by this government initiated because we needed very quickly to site some generation in specific locations because of the transmission neglect.

Now, it's interesting to note – and maybe tomorrow the hon. Member for Calgary-Currie can ask the Premier why there is no adequacy reserve margin requirement defined by an authoritative body in Alberta. Perhaps the Minister of Energy in the course of debate this evening can tell us that, and we won't have to ask that in question period tomorrow. This is very, very important, Mr. Chairman, and it gets back to the staged development of this supposedly critical transmission infrastructure.

Now, the AESO, which the hon. members for Grande Prairie-Smoky and Edmonton-Centre discussed in their debate, expects that the market will continue to send the necessary signals to generation developers, motivating them to develop additional supply as it is required. Well, we hope so. I don't think we can blame anyone but this government when the lights go out. But they're looking for a scapegoat, and incredibly they were even going to try to pin it on the New Democrats here the other day, which I found interesting, to say the least.

The AESO, Mr. Chairman, uses a reserve margin as a proxy for the amount of generation added to the system due to these market signals. These market signals, in my view, are not a development of free enterprise. I'll never be convinced of that. I could present a lot of information here, but an effective reserve margin of 10 per cent is considered appropriate for the purposes of estimating the generation capacity that will be installed to meet total Alberta peak load. I would ask members here who have their computers and have them turned on to go to the AESO website and, before we go any further with discussion on amendment B as we know it, have a look at the long-term metrics that are reported there. You will see on the graph where in two to three years we are going to be operating with very little, if any, reserve margin. Very little, if any, Mr. Chairman. I think that is a major cause for concern. With our severe climate we could and we probably will run short of electricity in that time frame.

Now, while the government and while the cabinet are determining which lines should be built . . . [Mr. MacDonald's speaking time expired]

The Deputy Chair: The hon. minister of health.

Mr. Liepert: Mr. Chairman, I'd like to move adjournment of debate.

[Motion to adjourn debate carried]

The Deputy Chair: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report Bill 60, the Health Professions Amendment Act, 2009, and Bill 62, the Emergency Health Services Amendment Act, 2009, and report progress on Bill 50, the Electric Statutes Amendment Act, 2009.

[Motion carried]

[Mr. Mitzel in the chair]

Mr. Drysdale: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following bills: Bill 60, Bill 62. The committee reports progress on the following bill: Bill 50. 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 Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

Government Bills and Orders Third Reading

Bill 53

Professional Corporations Statutes Amendment Act, 2009

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

Mr. Zwozdesky: Thank you, Mr. Speaker. It's my pleasure to rise and move third reading of the Professional Corporations Statutes Amendment Act, 2009, on behalf of my colleague for Lethbridge-West.

The Acting Speaker: Do any members wish to speak? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. Certainly, we had many questions earlier on Bill 53. I certainly understand the member's interest and his earnestness to tee up a meeting, but it was after session started, and it was very difficult to do. When we look at how this act is going to amend a number of statutes that govern or regulate various professions, we have to be very, very careful that we can afford this at this time. Earlier in debate we had asked a number of questions about how this will affect corporate taxes in this province. I wasn't satisfied with the answers. I reviewed *Hansard* – and I will apologize if somehow I missed it – and I looked at the debate as it progressed on Bill 53, and I did not see the details, the answers, the information that I was seeking from second reading.

8:40

Certainly, whenever you compare our tax structure to other provinces', not just on the personal level but certainly at the

corporate level, we have some room. Fortunately, we have a competitive taxation system. I hope we continue to maintain that. With this government I'm never sure, Mr. Speaker, of that, but hopefully we will maintain that robust competitive advantage. But with this bill, when you compare all the tax rates and you see how we are in this province – and you only have to look at the annual report of the province of Alberta to recognize that we're very competitive, particularly with our western neighbours – on what this series of amendments will do I'm still waiting for the answers from the hon. Member for Lethbridge-West. Until I receive those, I will not be enthusiastically supporting this bill. I need more information.

I know this bill will allow income sharing by members who have a registered professional corporation with their spouses and children. I'm not saying that there's anything wrong with that. I know other jurisdictions have successfully completed that. But when you look at our tax rates and you look at their tax rates, it is only fair to get the details as to exactly how much money this government anticipates losing. It's not a million dollars. That's the information we received at the time of the brief. I have been waiting patiently for that information. I have yet to receive it, and hopefully I will before we conclude debate on the Professional Corporations Statutes Amendment Act, 2009. Until I get that information, I will reserve judgment on this bill.

Thank you very much.

The Acting Speaker: Any other members wish to speak? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. I was hoping that there would have been answers back from the sponsoring member. The questions that I'd raised in Committee of the Whole fit into two sort of categories. One was around making the set-up for small businesses the same for Albertan companies as they are for B.C. companies. In other words, it was about TILMA. It was my understanding that this was supposed to harmonize – that's the word I'm looking for – and this was one of the areas that was supposed to be adjusted. It's being adjusted, but it's not being adjusted to harmonize with TILMA. I didn't get an answer about why the adjustments were being made in this bill, but they weren't being made so that they harmonized with B.C. What was the thought process behind that?

The second piece was sort of a part A and a part B, which was around there being no allowable use of holding companies, which is something that's pretty common for small businesses. Without that, they have to do a sort of little jig every couple of years to stay in adherence. I was curious about why that didn't happen.

Then there's the use of family trusts. It's very limited in this bill. My question was: why wasn't it more? Indeed, a number of issues have been raised by an accountant that had approached me with some very specific questions.

Then the last part was: what was the government expecting from the forgone revenue? That is somewhat linked to the question of my colleague who spoke previously. You know, forgone revenue is revenue that you give up when you put in something like an incentive. Tax incentives – let's face it – are a way that government can drive change. An incentive will cause people to want to do something. A disincentive will cause people to not want to do something. When you give up what would have been revenue into the general coffers by offering a tax incentive or disincentive, but in most cases an incentive, it means there's less money coming into the coffers. You have to have a way of measuring the effectiveness of that program, so you need to be able to say: "Okay. We've got X

number of dollars not coming into the coffers. That's okay because the difference in that money we expect is going to get us X, Y, and Z."

We have not had anything put in front of us that would be able to justify that, and that's what I was looking for. Surely, a member of the government would not be bringing forward a bill without having considered that. You start to say: "Well, then, why are you not bringing it forward? You must have considered it. Why didn't you bring it forward? Why can't you answer my questions?"

I didn't start out having huge problems with this bill, but the more information that's being not delivered, the more problems I have with it. I think at one point there was probably an agreement that there would have been support for it, but that's kind of ebbing away now, both because it didn't do what it purported to do and it also fails to be able to set before me as a legislator some measurable targets to be able to say: this is what we expect to gain by having this bill in place. You know, if we're going to forgo, as my colleague said, a million dollars worth of tax revenue – other people say it's more. Fine. Whatever. Whichever it is, what are we getting for that? What do the people of Alberta get for the fact that they weren't able to collect that money into the general coffers and use it in another way. Okay. Then what are they getting? What are we getting for that forgone revenue?

It's the same as paying it out. Not taking it in is the same as paying it out, and when we pay it out, we have performance measurements about what benefit the taxpayer gets for that money that's paid out. If you don't bring the money in deliberately as a policy, you should be able to measure that as well. This is not new. This is a fairly accepted accounting practice, so why can't I get that information on this bill? That's all I was looking for, and I didn't get it.

Thank you.

The Acting Speaker: Are there any other members that wish to speak? The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Speaker. Mainly, the questions that I wanted to ask have been asked by the two previous speakers, my colleagues. I do think it's important. The bill itself I can understand. It's just bringing us in line with the rest of the provinces. It's bringing the professional people in our province in line with the tax exemptions that the ordinary small businessperson gets already in this province.

I think that if you're going to bring a bill of this magnitude forward, the numbers really should be there to see if, in fact, we may be losing valuable tax revenue dollars. Some of it is conjecture, of course, because what they're trying to do is offset the money that they would lose in terms of the ability to retain our professionals and, in fact, recruit professionals into this province. Certainly, I think we need doctors. I'm sure that this freeze on doctors and nurses isn't going to last forever and that we will be looking for more doctors and nurses to come into our province. I think that nurse practitioners may well incorporate themselves as well, which would put them under this bill.

I think that there is some information missing for us to really be able to make a very informed decision on how we should vote on this bill. As I say, the concept of the bill I think is fair in terms of how we sit in the rest of Canada, but we really should have those numbers to understand what it's going to cost us as taxpayers.

Hon. Members: Question.

[Motion carried; Bill 53 read a third time]

8:50

Bill 58
Corrections Amendment Act, 2009

The Acting Speaker: The hon. Member for Calgary-North Hill.

Mr. Fawcett: Thank you, Mr. Speaker. It's my pleasure to stand and move third reading of Bill 58, the Corrections Amendment Act, 2009.

This bill will allow offenders of provincial statutes and municipal bylaw offences to earn remission for sentences and will expand the monitoring and recording of inmate communications. Mr. Speaker, allowing provincial statutes and municipal bylaw offenders to earn remission will encourage good inmate behaviour, reduce the offender population in our facilities, and make our legislation consistent with other jurisdictions.

The proposed Corrections Amendment Act will also allow for recording and monitoring of all inmate communications rather than just phone calls. Using the term "inmate communications" broadens the scope of communications that can be monitored and recorded. These amendments will provide us with greater opportunities to intercept and report active or planned criminal activity. I'm confident that this legislation will serve Albertans well as we modernize our approach to inmate communications and align our legislation with other jurisdictions in Canada.

Thank you, Mr. Speaker.

The Acting Speaker: Any other members wish to speak? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. Speaking in third reading to the anticipated effect of the implementation of Bill 58, the Corrections Amendment Act, 2009, I had a couple more questions. I wondered if there had been legal advice that had been given on the constitutionality of this bill. I know that we are dealing with people who, when convicted, have lost some of their rights of an expectation of privacy. This also covers, my understanding is, people in a remand centre.

My colleague had looked at an amendment that would have tried to change the language to indicate that it only affected those who'd been tried and convicted in a court of law. The problem was that, of course, you can only amend the parts of the act that are open in front of you. We would have had to go into a number of other consequential acts in order to correct that term in all of the areas. So it became more problematic, and we weren't able to do it. But you can see why we were trying to do it.

People in the remand centre have not been convicted. The first reaction I get is: well, they wouldn't be in the remand centre if they hadn't done something wrong. Not true. People are in the remand centre because there's a concern about failure to appear. Why do you get those concerns? Well, it's basically that courts want to know that if they let you go, you're going to come back or that they can find you to bring you back. People of no fixed address automatically get put in the remand centre. So anybody that's homeless, anybody that's on the street, whether they're guilty of that crime or not, is in the remand centre. There's a group of people – and it's not a small group of people – in our remand centre that doesn't fit into that category of: well, if they were in there, it's pretty much guaranteed they were bad. No. Actually, we can pretty much guarantee that they were homeless, and that's how they ended up in the remand centre. They get captured under this legislation.

I have an additional concern that we are far too quick to place people under surveillance for the convenience of the state. Let me put it that way. I don't think that the government and their agencies, like the corrections service and the police, come at this with any

kind of subterfuge or ill will. They're trying to get a certain job done, and it's easier to get their job done if everything is laid out in front of them. I've spoken before in the House of how the police have said to me that, you know, they wouldn't mind it if everybody had a chip that could identify where they were on planet Earth. They'd find that kind of convenient because they feel it would help them get the bad guys earlier.

It just doesn't work. I mean, with the number of closed-captioned cameras that we've got, did it make our crime rate drop? No, it didn't. Guess what? The crime rate just moved over a block. Most criminals, particularly the ones that get caught, are pretty stupid, but the ones that don't get caught are not so stupid. Now we've ended up basically keeping our law-abiding citizens under surveillance. What was the point of that? They're decent people going about their life, but those are the ones that are showing up in the closed-captioned cameras.

I've gotten a bit off the specific purpose of the effect of Bill 58, but I have concerns about this. What I see is a very concerted effort from the government to place people in the remand centre and in corrections – and I think it's important to distinguish between those two – into facilities now where everything they do is under surveillance, including an area that used to not be, or at least not with the level of intimacy that they are now able to watch somebody's life. That was about the communication.

What this act has done is change everything from telephone calls to communication, which covers everything, particularly the familial video conferencing that will now be in place at the new Edmonton Remand Centre. All of those will be watched. All of those families who have not done anything wrong will be under surveillance, even if we get reassurances that: oh, we're not going to keep the stuff that is on the family. Really? Somebody is going to go through those tapes and watch all of that, so somebody else has heard that conversation between a husband and wife, a mother and a son, a father and a daughter, whoever, siblings, that they had every right to expect that their portion of was not going to be listened to by somebody else.

There you have a decent citizen who has now been listened to, has been under surveillance by an official, and they have done nothing wrong. There's no reason why they should be under surveillance, but they will be because of what's in this act. None of us ever expects to see ourselves in that position, but part of what I try to do is look at legislation and go: well, how would I feel if it happened to me? I'll tell you that I wouldn't be very happy if I went to visit someone, a brother, a nephew, a father – sorry that I'm naming all the males in my family; that's not very fair – my aunt, my cousin because they were in a remand centre, and I'm now on surveillance and somebody has listened to things that I said in confidence or in an intimate way to someone that was in those circumstances. How fair is that to me? It's not. But that's what this bill does. It captures that.

I think we should not give up our right to privacy without a fight. I don't think we should impose that or, rather, take it away from others without a great deal of thought. What I see here is ease. This is about ease of managing people who are in an apprehended situation. They're in a remand centre or a corrections facility. It's going to make it easier for them to monitor the communication. It's going to make it easier to watch people.

I'll be very interested to see if there's a way of coming back to me in a year or two or three and saying: "You know what? We're able to show to you that because we watched this, these intimate conversations between people, and we watched all of that communication from people that were incarcerated or in a remand centre, we've been able to reduce gang violence in corrections facilities by

50 per cent.” I’d be very interested if that’s able to happen because, frankly, I doubt it.

There are a lot of other ways of passing information and communicating that wouldn’t necessarily be caught on a camera or a telephone or even Internet communication, websites, whatever, or tracking, you know. This will allow them to go and track where people have been when they go online on a prison computer because it’s about communication. If you’re online and you’re communicating one way or another, you’re sending cookies out. That would count.

I mean, the discussion of gangs and trying to get at gangs has already been discussed once in this House. Clearly, it’s an issue that people are really concerned about. I think this is subjecting a whole bunch of decent people to surveillance by the state, and I don’t think that’s a good idea. I don’t support it, and I never will.

Thank you.

The Acting Speaker: Any other members wish to speak? The hon. Solicitor General and Minister of Public Security.

9:00

Mr. Lindsay: Well, thank you, Mr. Speaker. The hon. Member for Edmonton-Centre, I believe, had a couple questions in her discussion, so I want to assure the hon. member that, yes, we did seek legal opinion before proceeding with this bill.

In regard to her comments on remand, people are not only kept in remand because of concerns of failure to appear. They are also kept in remand for concerns of public safety and their own safety. I’ll also state that, yes, both remand and sentenced inmates will be monitored if reasonable grounds indicate that that would be necessary. We have been monitoring inmates’ communications in our correction facilities for a long time, Mr. Speaker, and in regard to this concern, this act really just brings that practice up to date to include all methods of communication.

The Acting Speaker: Standing order 29(2)(a) is available. The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you so much. Could I ask the minister how his department or his staff distinguishes between people in the remand centre who are in there on a concern about failure to appear and people who are in there because they’re considered bad guys? I don’t see how you can distinguish that. But please go ahead and enlighten me about how you manage to do that. Otherwise you are snooping on legitimate communication of someone who has not been convicted and is in a remand centre on a mental health issue or homelessness, where they have no fixed address, and that’s why they’re in the remand centre. How do you distinguish between those people? I bet you that you can’t, and you’re spying on those people the same as you’re spying on everybody else.

Mr. Lindsay: Mr. Speaker, it’s not a matter of spying on anybody. It’s a matter of monitoring communications to ensure the safety of the facility, the safety of the people that we have in there. I don’t believe there’s a designation per se between whether somebody is in there because they may fail to appear or whether they are in there for serious charges. If the supervisors of that facility have reasonable grounds to suspect that the safety of that person, the safety of the public could be at risk, then those conversations are monitored.

Ms Blakeman: Is there a review process in place that is able to be monitored by an outside source or by an advocate or a prison ombudsman, that is able to look at that decision-making process and decide that it was valid? Or what scrutiny does that decision-making

process and the criteria that the – I’m sorry, I missed the name of the authority figure that the minister referenced. But he said: well, I mean, the person can just make that decision on who’s likely to be a problem. Well, is that decision reviewable? Is it appealable? Who looks at it outside of that particular facility?

The Acting Speaker: The hon. Solicitor General.

Mr. Lindsay: Well, thank you again, Mr. Speaker. The person who I was referring to was the director of the facility, who makes the decisions as to whether or not those recordings will be monitored. Yes, his decision can be reviewed if there’s a complaint that comes forward. Depending on the nature of the complaint, it could involve the place of jurisdiction.

The Acting Speaker: On 29(2)(a) the hon. Member for Edmonton-Centre.

Ms Blakeman: How would an individual who had been incarcerated even know that they had been monitored and then be able to complain and ask for a review of the criteria upon which the decision was made to monitor them in the first place? Is there some indication of that, or do you just have to find out by accident?

Mr. Lindsay: Well, again, Mr. Speaker, conversations are monitored, and if there was something going on that shouldn’t have been going on in regard to the issues that I raised, that person will certainly be aware of that because it would be brought to their attention. At that point in time they would have the option of going to an appeal process if they didn’t agree with it.

The Acting Speaker: Standing Order 29(2)(a) is still available. The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Yes. Thank you very much, Mr. Speaker. In 2008-09 the provincial adult in-house custody population averaged 2,800 persons. Of the persons housed in provincial correctional facilities, 57 per cent were being held in remand and only 43 per cent had been sentenced. We can go back any number of years and compare the numbers of adults in custody, sentenced and in remand, in this province. The ones that are held in remand, do you think this monitoring is fair to them and their families?

The Acting Speaker: Hon. Solicitor General, do you wish to respond?

Mr. Lindsay: Yeah. Mr. Speaker, the hon. Member for Edmonton-Gold Bar’s numbers are right in regard to the percentages of people held in remand versus sentenced. Absolutely, we believe it’s fair to record those conversations and monitor them, again, if there are reasonable grounds to review those conversations. It’s all in managing the facility in the proper manner.

The Acting Speaker: On 29(2)(a) the hon. Member for Lethbridge-East.

Ms Pastoor: Yes. I just wonder if I could ask a question further to that. I think that before very long the people on the street, who actually communicate with each other quite well, will be saying: okay, I’m not going to do anything until I can speak . . .

The Acting Speaker: The 29(2)(a) is finished.

Any other members wish to speak to the motion? The hon. Member for Lethbridge-East, to the motion.

Ms Pastoor: Yes. I just wanted to clarify something. Clearly, people on the street communicate well, so the first thing they're going to learn how to do is say: I want to talk to my lawyer. So if they get the lawyer, will that lawyer-client be – I mean, that's confidential, so from then on, at least, they'll be able to talk to someone in confidentiality. Is that how that would work?

The Acting Speaker: Standing Order 29(2)(a) is available. The hon. member on 29(2)(a).

Mr. Lindsay: Yes. To answer the question . . .

The Acting Speaker: We've moved to the motion. You're speaking on 29(2)(a), the five-minute question-and-answer period, with the hon. member, right?

Mr. Lindsay: Right.

In response to the question asked, Mr. Speaker, yes, the client-lawyer conversations are confidential and are not monitored.

Ms Pastoor: So when the people, who clearly communicate on the streets – I mean, that's going to be the first thing they say: I want my lawyer. Look at all of the extra work that's going to happen around that one tiny request when they don't want to be monitored otherwise.

The Acting Speaker: Any other members wish to speak?

Hearing none, does the hon. Member for Calgary-North Hill wish to close debate?

Mr. Fawcett: No.

[Motion carried; Bill 58 read a third time]

Bill 59 Mental Health Amendment Act, 2009

The Acting Speaker: The hon. Member for Edmonton-Meadowlark.

Dr. Sherman: Thank you, Mr. Speaker. I'm pleased to rise today and move third reading of Bill 59, the Mental Health Amendment Act, 2009.

This bill supports the implementation of community treatment orders. These CTOs are outlined in the Mental Health Amendment Act, 2007, which is expected to come into force early in 2010. Bill 59 demonstrates our recognition of the important role of mental health services in our health system.

I ask the House to support Bill 59, the Mental Health Amendment Act, 2009. Thank you, Mr. Speaker.

The Acting Speaker: Any other members wish to speak? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I apologize; I just haven't been able to get ahead on my reading on this one. I had a lot of concerns about the community treatment orders when they came forward under the Mental Health Amendment Act previously. I understand that this act was to address concerns specifically that were brought forward by the professional staff who were assessing and making the community treatment orders because they were having some trouble in the way the amending act had been done.

9:10

I didn't agree with the way the community treatment orders came through in the first place. I have some additional concerns now about how this rolls out when we move people from very – what's the word I'm looking for? – careful observation that they would be receiving, for example, as a patient in the Alberta Hospital Edmonton. They're moved into some sort of community treatment. I'm now seeing that this was probably linked, that these were not so much strings on a pearl but maybe sausages on a link of a longer term plan from the government to implement the community treatment orders, which allowed them to force people to take medication or to take their treatment, and this is going to specifically apply to people that are going to be released from Alberta Hospital Edmonton. So it was probably a much longer plan than I had anticipated at the time.

I think what we all agree is that we need to keep some beds for the intensive kind of treatment that some people will need, which is usually a fairly long time to get stabilized. People are in Alberta Hospital Edmonton for a year or two. They come into the community carefully and will sometimes end up back in Alberta Hospital for a six-month stint, and then they're out for years at a time. There has to be some facility in which they can find that sort of intensive treatment and protection, frankly. But I'm distressed now to see how the community treatment orders fit into that deinstitutionalization plan. I said at the time that it was a scimitar that hung over people's heads, and I think that's what I'm seeing here.

Thanks, Mr. Speaker.

The Acting Speaker: Any other members wish to speak?

Seeing none, does the hon. Member for Edmonton-Meadowlark wish to close?

Dr. Sherman: Question.

[Motion carried; Bill 59 read a third time]

Bill 60 Health Professions Amendment Act, 2009

The Acting Speaker: The hon. Member for Strathcona.

Mr. Quest: Thank you, Mr. Speaker. I'm pleased to rise tonight and move third reading of Bill 60, the Health Professions Amendment Act, 2009.

The Health Professions Act provides a legislative structure that supports the regulation of health professionals by their health profession and governing bodies. This legislation is at the request of or in consultation with all the colleges and professions affected.

I'll take my seat and see if there's any further discussion.

The Acting Speaker: Do any other members wish to speak?

Hon. Members: Question.

[Motion carried; Bill 60 read a third time]

Bill 61 Provincial Offences Procedure Amendment Act, 2009

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

Mr. Zwodzesky: Thank you, Mr. Speaker. It's my pleasure to rise on behalf of the hon. Member for Edmonton-Castle Downs and to

move third reading of the Provincial Offences Procedure Amendment Act, 2009.

The Acting Speaker: Any other members wish to speak?

Hon. Members: Question.

[Motion carried; Bill 61 read a third time]

Bill 62

Emergency Health Services Amendment Act, 2009

Mr. Liepert: Mr. Speaker, I'd move third reading of Bill 62, the Emergency Health Services Amendment Act, 2009.

The Acting Speaker: Any other members wish to speak?

Hon. Members: Question.

[Motion carried; Bill 62 read a third time]

Government Bills and Orders Committee of the Whole

(continued)

[Mr. Mitzel in the chair]

The Deputy Chair: I'd like to call the committee to order.

Bill 50

Electric Statutes Amendment Act, 2009

The Deputy Chair: We are on amendment A1. Are there any comments or questions to be offered further with respect to this amendment to this bill?

The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you, Mr. Chair. I haven't actually spoken to the government amendment yet. I've sort of referred to it, alluded to it a couple of times during committee debate so far as I brought forward our own subamendments to amendment A1. Those subamendments, of course, went down to defeat one by one as they were presented to the House.

I'll just very briefly comment on these government amendments and make the point again that while the Minister of Energy has brought, in his amendment A1, a number of changes to Bill 50 – and I do believe him when he says that these changes were brought about by some of the feedback that he and the government and government backbenchers have gotten from the people who've been on their backs about this very, very flawed bill – the amendments do not address one of the most fundamental flaws with the bill, which is the attempt to reduce the amount of public consultation that can take place. I don't mean public consultation over the course of the spring and summer and fall about Bill 50. I mean public consultation about the power lines that are designated, according to the schedule on page 11 of this bill, as critical transmission infrastructure.

Once this bill passes, should this bill pass – and what are the chances of it failing, I wonder? – and these lines are declared critical transmission infrastructure, that declaration bypasses the Alberta Utilities Commission and its ability to hold independent, impartial, needs identification hearings to determine whether this stuff is really all that critical or not.

As I made the point at an earlier opportunity to speak to this, the very fact that the minister is proposing as part of his package of amendments in A1 the staged development of critical transmission

infrastructure – albeit with acknowledgement of my colleague from Edmonton-Centre's questions about the timing of the staging, there's nothing in here about this, so this could be nothing more than a legislative sleight of hand, I suppose. Realistically, I think that the fact that the minister is talking about staging development of these allegedly incredibly critical, we've got to have now or else the lights go off power lines suggests that they're not all that critical. They're not so critical that they couldn't be subjected to the usual impartial regulatory hearing process, which I believe they should be.

9:20

This government amendment does not address the issue of public consultation. It certainly does not in any kind of meaningful way that I'm aware of address the issue of the incredible cost of overbuilding the system. It does speak to this notion that there would be an oversight committee. Amendment C talks about

the establishment of a committee comprising the Independent System Operator, representatives of customers, and other persons determined by the regulation, to provide records to customers in relation to the construction of transmission facilities, including records relating to the costs, scope and construction schedules of proposed transmission facilities.

Well, that's nice. I mean, I'm not going to object in principle to that. I'm not going to object to that. I don't think anybody on our side of the House would object to the notion of a little more oversight.

But let's be honest here, Mr. Chairman. The committee would give more public information on the lines and the costs of the lines but only once construction has started. So it's sort of like a quicker update, a quicker warning that you're about to get stuck with a bill for something you didn't want in the first place, and the bill is going to be higher than you thought it was, that sort of thing.

In amendment E, section 3(3) is amended in the proposed section 19(1.1) by striking out "or is not in the public interest." You know, how you read this proposed amendment as anything other than a purely cosmetic change is unclear. I know that there were some conflicts between the lawyers speaking for the Alberta Utilities Commission and the lawyers in the Department of Energy and I think maybe even the lawyers in the Ministry of Justice about whether the bill as it was originally written would take away the AUC's right, across the board, to operate in the public interest. I know there was some concern about that. Still, while this amendment may clarify that bit of muddiness, and I'm not even sure how muddy that muddy bit was to begin with, it doesn't address the fundamental problem of the AUC, which, I believe, is uniquely positioned, relative to any of us in this House, relative to AESO, or relative to anyone who might be a stakeholder or a proponent or a participant in any proposed expansion of transmission infrastructure in this province, to sit back, take a step back, and take an arm's-length view of what's being requested, what's being asked for here in terms of the size and scope of the bill and say that this is or isn't necessary, that this is or is not something that is needed. The AUC still cannot speak to that if this bill passes.

So in a sense, Mr. Chairman, it doesn't matter. It certainly doesn't matter as much that they can go back to addressing matters of the public interest around the environmental, social, and economic impacts of the line once the siting hearings begin if the need has already been dictated to them and to us, the people of Alberta, that this line is going through because of some electrical engineers at AESO, which I remain unconvinced is as impartial and arm's length from government as government would like us to believe – if it was, I don't see why it spent so much money on radio and television and newspaper advertising promoting this pig in a poke – or from the politicians themselves, no matter who's in government, no matter

who's in power, because politicians are not experts by definition. A group of us are not going to be experts on issues of electricity transmission.

So the AUC can't do that needs hearing anymore. It's simply dictated to the people of Alberta, the power consumers of Alberta, that because the AESO recommended it, cabinet says: "Well, okay, it must be critical, then, so we're just going to ram this one through. You might have some say as to where the pylon goes that's closest to your property, but otherwise, you know, shut up about it." That's really what it boils down to.

Mr. Chairman, while I commend to a point the minister's efforts to try and take this very flawed piece of legislation and amend it in such a way that a quick reading of the amendments might persuade somebody who hasn't been paying really close attention that now suddenly this bill proposes to be not as flawed as it was before the amendments were brought down, there's no way I could possibly support amendment A1 because it does not do what needs to be done.

Mr. Chairman, what really needs to be done is that this bill needs to be ripped up, thrown in the garbage, and the minister needs to go back to square one and start again. But like I said before, what are the chances of that happening? Failing that, these amendments do not do what needs to be done to make this bill anywhere near a palatable piece of legislation, in my opinion, and I will be voting against the government amendments when the time comes.

The Deputy Chair: Any other members wish to speak? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much.

The Deputy Chair: To the amendment.

Mr. MacDonald: Definitely to the amendment. Earlier, whenever we had a chance to discuss the amendment and we also had an opportunity to listen with interest to the discussion or the debate between the hon. members for Grande Prairie-Smoky and Edmonton-Centre, that was an interesting and informative dialogue. When we look at *Hansard* and we read the discussions that occurred between the two members, we also have to consider the role of AESO, the publications that they produce, the reasons why they produce those publications. Obviously, they're trying to sell Albertans on electricity – the distribution of it, the transmission of it, and before that the generation of it, certainly – and how the electricity supply and the price affect the economy.

This discussion that occurred when I entered the Legislative Assembly this evening and the discussion I heard in the previous hour and a half at Rexall Place regarding Bill 50 and the proposed amendments that we had before us in the House: it's like two different worlds. You have the consumers, who are faced with higher bills and towering infrastructure, some of it at 500 kV capacity. Mr. Chairman, you link all this together, and it is two worlds. It's a world where one group of individuals feel that their idea and their idea alone is the right and the proper one. That, of course, is Bill 50. Then we have public questions and very few answers, and in order to satisfy some of the questions, we bring forward these amendments. Again, these amendments are not going to satisfy the individuals I talked to this evening.

Now, we need to correct some of the misinformation that has been spread by the government.

Mr. Liepert: That you're spreading.

Ms Blakeman: It's competing misinformation.

Mr. MacDonald: No, it's not.

Now, I'm going to have a look. I took the opportunity, Mr. Chairman . . . [interjection] You see that? It's getting late in the evening.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar has the floor.

Mr. MacDonald: Thank you very much. Now, the long-term adequacy metrics from this summer on the AESO website: I referred to them earlier, and I got a copy. We know we need more generation in this province, we know we need more transmission lines, but do we need what's proposed here in the critical transmission infrastructure, the blank cheque that has been offered here with this amendment?

9:30

Mr. Chairman, we look at generation projects that have moved to active construction. I talked earlier about TransAlta. This one is a 66-megawatt project. We have generation projects moved to regulatory approval. We have MEG Energy. We have Imperial Oil Kearl cogeneration, phase 1. We have the Morinville compressor station, which is only eight megawatts. We have Imperial Oil. We also have under this generation projects that have been announced, applied for AESO interconnection, and/or applied for regulatory approval. We have a windfall power-generating station up in Fort Nelson, and we have project 921, whatever that is. It's 165 megawatts. Generation projects that have been retired: Rosedale, just down the street here, 8, 9, and 10. There are 209 megawatts that are in the vicinity of the hon. Member for Edmonton-Centre's residence.

Ms Blakeman: Not anymore. They've taken it out.

Mr. MacDonald: Yes. They've taken it out. The generators, I think, have been sent to some tropical island if I remember correctly.

Ms Blakeman: That's true, yeah. We sold it to somebody in the Caribbean.

Mr. MacDonald: Yes.

There are a lot of changes to generation projects, and all these changes are occurring at the same time we are changing Bill 50. We can talk about investor uncertainty, and this is another example of it. There's a list of generation projects that are under active construction. There's a total here of over a thousand megawatts. I mentioned TransAlta's Summerview 2; Keepphills 3; the peaking plant over at Clover Bar; the Crossfield energy farm by Enmax, a 120-megawatt facility in Crossfield. We've got a wind farm at Blue Trail. Christina Lake, Horizon: there are a number of projects.

There are also projects with regulatory approval. There are 745 megawatts.

Then there's the wish list here, which is quite a long one. There are 316 megawatts, I believe. No, there are not; I apologize. There are a lot more than that on the wish list, and they're not added up. I would estimate the wish list to be at least 2,000.

The projects that are to be retired in the near future are TransAlta Wabamun 4. We talked about this previously. The city of Medicine Hat has 37 megawatts of gas-fired generation that they would like to retire.

Now, we look at – and I've got the details here for hon. members – our reserve margin, without inertia capacity and with inertia

capacity. We talked about the AESO suggesting that we have 10 per cent. Well, by 2012 we're not going to have it. We're certainly not going to have it without intertie capacity. The intertie capacity: will it or will it not be considered critical transmission infrastructure? How will all this be decided? I can only guess, Mr. Chairman.

When we look overall at these amendments, certainly the Capital Region Board had questions. Did the minister consult with the Capital Region Board regarding these amendments? Are these five amendments as proposed going to satisfy their concerns regarding this bill, or will that just be an issue that's set aside or a series of questions that's set aside?

Now, I heard earlier this evening, before I came here, that Bill 50 is unnecessary. Citizens certainly expressed the view that existing laws regarding, Mr. Chairman, whether it's rights-of-way or whether it's what's to the benefit of the public – the public interest or the public good is not or doesn't appear to be a priority with either the bill or the amendments. A political fix is what we're looking at.

When we look at the critical transmission infrastructure as it's discussed and as it's defined here, there is no reason why, when the government is looking at this, they couldn't ask this question, and the question would be: what is an analysis of the true needs of the Alberta electrical system? What exactly is needed? Is Enmax in their proposal? Are they right? Is it a balance between generation capacity that is sited, as we said earlier, on the edge of the load or on the edge of the metropolitan areas? Is the \$14 billion that's anticipated in transmission upgrades in the long-term transmission system planned by AESO the critical transmission infrastructure that's needed, or is it something less?

Now, earlier in debate there had been a lot of discussion about line losses, and I find that, Mr. Chairman, quite an interesting argument to pursue. I think the value of the electricity lost last year, in 2008, as a result of line loss was about \$220 million. The year before it was less than that. I thought to myself: why would there be such a difference? Why would there be close to a \$40 million difference in line loss? Well, the value of the line loss was determined by the price of the electricity. Now, it didn't really go up or down. It remains fairly constant. I think it's in terawatts. That's the measure that's used to indicate that.

There seemed to be a perception by some members in the debate here, not only on this amendment, Mr. Chairman, but throughout the entire debate on Bill 50, that the increase in line loss was forcing this \$14 billion proposed infrastructure upgrade onto the ratepayers' bills. Well, I think we should have a little clarification on that. When we look at the proposed amendments and we look at the bill, what the government wants us to believe and accept, but I don't think we should because I think it is unacceptable, is that their project is needed because they simply say so. Trust us, and fork over the cash on a monthly basis on your bill regardless of whether you're an industrial, a commercial, or a residential consumer of power.

9:40

Now, we need to think carefully before we proceed any further with Bill 50 or even proceed with these amendments. There are those that have thought that they could help out the government with some suggestions as to what to do to get us out of this mess that has been created because we have no long-term planning, directly as a result of the chaos and confusion from deregulation.

We have a big bill to pay. We know who is going to pay it. It's going to be those consumers that I spoke about just a minute ago: commercial, residential, and, mostly, industrial consumers. I believe they are 61 per cent of the total consumption. Now, we know in this House that transmission lines should be built. There should be a

plan so that as the economy expands, as the population grows we don't have this panic that we have now, Mr. Chairman.

Now, transmission lines don't generate electricity. As I said before, they consume power. Yes, transmission lines, as has been noted to me by an electrical engineer, can reduce losses, but the reduction in losses is not usually sufficient to justify the cost. This gets back to that comment I made earlier, Mr. Chairman, that the line loss for the year 2008 was about \$220 million. The year before it was about \$40 million less. New transmission lines should only be built when they are part of the lowest cost addition to the power system. By the lowest cost we should always consider, of course, those who are paying the rates, or the monthly bills: the consumers. New lines must be part of the most economical generation and transmission addition to the system.

I looked through the annual report of AESO, and last year we see where their manpower budget had increased dramatically, but there's a reason for that. I think they hired over 20 people, and they were certainly needed. Some of these people have unique skills and unique educations. Their expertise is in demand. When we look at that, the AESO can easily, I think, get additional skills if they need them.

I think there needs to be an evaluation of the long-term and present worth of any number of generation and transmission options for a range of load-growth patterns. I don't think this has been done. You look at the transmission plan, and you have options there. I'm not going to say that it's like a Christmas catalogue, but there are options there, and there are prices for this and for that.

I'm not going to digress, Mr. Chairman, but someone asked me about the nuclear option.

Ms Blakeman: You're not?

Mr. MacDonald: No, I certainly am not.

There was a bet placed on where the nuclear reactors would be. Clearly, if you have a look at the long-term transmission systems plan in this province, the reactor is not going to be, in my view, constructed in the Peace River country. I know Lac Cardinal has very little water there, but that's not the reason. I think it's going to be built over in northwestern Saskatchewan, almost due east of the oil sands developments by Fort McMurray. If we pass these amendments and then we proceed to pass Bill 50, part of that intertie or a portion of that line will be paid for by Alberta ratepayers. Who will benefit from that transmission line? That's hard to say. Maybe the government members can assure not only this member but the House and ratepayers in general that there will be some benefit to that.

The Deputy Chair: Any other members wish to speak to amendment A1?

Hon. Members: Question.

[Motion on amendment A1 carried]

The Deputy Chair: That takes us back to Bill 50 as amended. Any members wish to speak? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chair. I just wanted an opportunity to be able to speak a bit more generally while we were in Committee of the Whole.

Mr. MacDonald: Oh, yeah. Be general.

Ms Blakeman: Don't get lippy.

See, one of my observations about this bill is that it was created to address very specific circumstances, but it doesn't address those very specific circumstances and stop. There's been an argument that there was a need. There's also been an argument that that need has not been accurately reflected, so we've got battling experts here. If there was a situation where we needed the four lines that have been discussed, it needed to be done by the government in a way where they identified that this was critical, all the language that we've heard: that there was a reliability problem, that the need had been determined, that there was a crisis, that the cost was within reason and needed to be paid by the consumers so that the generators could take advantage of the transmission system. All of that has been established.

I still look at this bill and go: it was created for very, very narrow circumstances, almost a snapshot in time. Yet the bill makes this possible forever. I would have been much happier to support this bill if it had had a sunset clause or it had been established to say: "This is all we're going to do, these four lines over this period of time. The staging is going to happen in, you know, one-year increments or five-year increments, and that's it. We're done." This is where I think the critical mistake has been made. Aside from all the arguments of the battling opinions and battling experts, I think the critical mistake is that a bill has been created that will last for a long time, until, essentially, it's amended or – what's it called when they actually just get rid of it, where they completely cut a bill and just annihilate it?

Mr. MacDonald: Repealed.

Ms Blakeman: Repealed. Where the bill is repealed. Thank you. That's what I was looking for.

That's not what's happening here. We've created a bill in perpetuity for something that was to address a very specific need. That, I think, is where we're going to get into trouble somewhere down the road.

One of the issues that hasn't been addressed here, to my mind, is the concept of protection. It's something I've been thinking a lot about recently. This government party's philosophy is about less government and less regulations, and in some ways I agree with that. I think we certainly need to look at red tape for not-for-profits and for small businesses, for example. But I think that there's a role for government to play in protection.

9:50

It has to be government that sets up that protection that no one else will do. We should not be expecting the private sector to offer that protection. It's not their job. Their job is to go out there and make as much money as they can for their shareholders. That's what they're supposed to do. They're not supposed to check themselves and go, "Oh, gee; maybe I should be doing it this way" or whatever. They're just supposed to go for it. They will be limited by the legislation that's put into place, but it allows them, you know, to go full bore within those limitations. But you've got to have the limitations, and those limitations are protection.

What I see happening in a number of different areas in Alberta, but this is a good example of it, is where we don't see that protection for the consumers, for Albertans. You know, what limits, what requirements need to be in place to protect the consumers, the citizens, and the environment? Let's go a little further and have environment cover assets as well. What limits would need to be in place?

Let's look at this another way. Whenever there's a disaster, the first thing that happens is that people turn around and say: "Where

was the government on this? Why didn't we have better building codes that would have stopped the buildings from sliding down the hill on us and killing us all? Why didn't the government look after this?" Ultimately, it is the government that's responsible. Sure enough, the next time around they put better legislation in place that does deal with those things, but they don't turn around and say, you know, "Where was the private sector on this one?" They don't turn around and say, "God had something to do with it." They turn around and say, "Why didn't the government protect us?"

That's my question around this bill: where has the government abdicated its responsibility of protection for the consumer with this bill? Part of that is the concerns that have been expressed repeatedly about a lack of access and a door in – a meaningful door in; let me qualify that – for the public around transmission lines and how they're going to be determined now. The government will be very quick to say that, well, AESO determines need. But, you know what? AESO has that toggle switch I talked about earlier tonight. It's an on-off switch. AESO determines more transmission lines or no transmission lines. That's all the toggle switch does. It doesn't determine anything else. It's just an on-off switch and nothing more.

That information then goes to the government. I will refer people to go back in the evening to the Minister of Energy's responses to my initial questions because he walks through that process pretty clearly. It goes back to a process in which a number of other regulators come into play in which there is meant to be public opportunity for comment. My concern there is that by the time, in a number of these stages, the public actually gets the information, I would call it too late. Nice to get the information, thank you, but it's too late for the public or the ratepayers, consumers, the landowners to be able to take that information and use it to change the course of affairs. They are only allowed to get that information when the process has moved to a place where they can't stop it and they can't affect the outcome. There's also a lack of an appeal process.

There were two things going on in the conversations around public consultation with this bill. One was the hearings that the government held over the summer. Fair enough; they had 20 of them. But if you just listen to the government members, you would think that it was 20 hearings in which people raised their hands and celebrated how wonderful and kind this government was. From what I've read in the newspaper reports and from some of the reports of people who were at these hearings, people were not happy with what the government was proposing and made that very clear. It's a bit sly to try and pretend that the people's reaction to what happened to this process was one of happiness and delight. I would argue that it wasn't.

Second is the concept of public consultation as this bill is implemented and rolls out in the future. That I've already referred to in that they get the information too late, and there is no opportunity for appeal in most of these processes.

In both of those areas I would argue that the government has failed to protect citizens and consumers. They failed to give them an access point that is meaningful. I would argue that what they have done here is that they failed to protect the consumers' money because the citizens have very little input – some would argue none, no input – into decisions being made which will cause them to expend their money.

When I look back, when I started in 1997, we were in the thick of the debate about deregulation. I was told over and over and over again that this was the bee's knees, this was the way of the future, et cetera, et cetera, et cetera. Well, we had reliable, predictable, stable, cheap electricity. Boy, do we not have that now. We went through all kinds of things. Yet again I'm being threatened with brownouts if I don't go along with this, with outages if I don't go along with it.

Well, how is that predictable and stable electricity? It's not. The one thing that the electricity rates, what the consumers pay, have not done is go down.

So you can articulate that amount of money to me in any way you want. You can break it apart on the bill or roll it all into one lump sum, which has been the argument, that we're paying the same amount of money; it's just split apart or rolled up. Frankly, it's just gone up. Every consumer looks at their bill, and that's why people get so irate when they go: how come I paid eight bucks for gas and \$12 for delivery, and then the prices, the different fees, just keep adding on from that? We're pretty sure we weren't paying all of that when it was a regulated system.

The government, I think, has failed to protect the consumer, and the cost is going up and up and up. Let's face it. We're a northern province. With the exception of a few places in southern Alberta, we can't do without electricity and energy.

Mr. MacDonald: What do you mean, southern Alberta?

Ms Blakeman: Well, that's possible in some places. But for most places in this province, we need that stuff, particularly around our positioning re the sun. I mean, you can spend some nights in the year, a few of them, where the sun goes down at about 11 and gets up at 2 in the morning. Fair enough. But most of the time you need that electricity to have the lights on in this place.

The other interesting part of this is that at this point our utilities, our electrical suppliers, are about two generations removed from us. You know, 20 years ago the electricity utility and all the utilities, actually most of them, were owned by the city. So they were quite close to me. I was a citizen of the city, and the utility company was owned by the city.

Mr. MacDonald: Are we getting a Christmas card this year?

Ms Blakeman: Not if you behave like that.

Now they're rolled out, and they're one generation out from us. In fact, the city of Edmonton is two generations out because they've now created Capital Power and rolled it off even further. Enmax is another example of how that's happened in Calgary. It won't be long before that's rolled out again. We have companies from Russia, China, India, any number of other places that are buying our utility companies, and they're one layer out again. We don't have any control over those companies. We have no consumer loyalty or citizen loyalty anymore. But we do need protection. That's about all that's left. We need the government to make sure that we're going to be treated fairly and that there are consumer protections built into that for us.

I've talked earlier about that kind of cornerstone of democracy in the marketplace, which is that concept of no payment without representation. I think that's lacking in what we're seeing before us in this bill. I would also argue that businesses are incredibly important to this province. It's where a great deal of our wealth is generated. But, frankly, businesses are not citizens. They do not vote. I think it's important that we honour and recognize the position of citizen here and their ability and their access to be able to influence government in their policy-making. What we've got is that clearly business has access to influence government policy, but citizens don't have access to influence government policy.

10:00

Those were some of the issues that I wanted to raise while we were still in committee. I think the bottom line is that the public is paying significantly more for electricity, and most of them would say that they weren't getting a lot more. It's not necessarily more reliable than it was 20 years ago. The price is certainly higher. I think that with this bill we've put in place a number of processes we're going to find very difficult to control out in the future. Really, this bill was invented to address some very specific problems that were quite time limited, and now we've put a bill in place that rolls out without an end in the future. I think we should've done a better job with that, and I would argue that the government has failed the citizens and the consumers in offering adequate protection.

Thank you.

The Deputy Chair: Any other members wish to speak?

Hon. Members: Question.

[The clauses of Bill 50 as amended agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? That's carried.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. Thank you, all members, for that exciting and very informative debate as always. On that note, I would move that the committee now rise and report Bill 50, the Electric Statutes Amendment Act, 2009.

[Motion carried]

[Mr. Mitzel in the chair]

Mr. Drysdale: Mr. Speaker, the Committee of the Whole has had under consideration a certain bill. The committee reports the following bill with some amendments: Bill 50.

The Acting Speaker: Does the Assembly concur with the report?

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you very much, Mr. Speaker. Again, thank you to all members. I would move that we now adjourn until tomorrow at 1:30.

[Motion carried; the Assembly adjourned at 10:03 p.m. to Wednesday at 1:30 p.m.]

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