



Province of Alberta

The 29th Legislature  
Second Session

# Alberta Hansard

Monday evening, December 12, 2016

Day 61

The Honourable Robert E. Wanner, Speaker

**Legislative Assembly of Alberta**  
**The 29th Legislature**

Second Session

Wanner, Hon. Robert E., Medicine Hat (ND), Speaker  
Jabbour, Deborah C., Peace River (ND), Deputy Speaker and Chair of Committees  
Sweet, Heather, Edmonton-Manning (ND), Deputy Chair of Committees

Aheer, Leela Sharon, Chestermere-Rocky View (W)	Loyola, Rod, Edmonton-Ellerslie (ND)
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Anderson, Wayne, Highwood (W)	MacIntyre, Donald, Innisfail-Sylvan Lake (W)
Babcock, Erin D., Stony Plain (ND)	Malkinson, Brian, Calgary-Currie (ND)
Barnes, Drew, Cypress-Medicine Hat (W)	Mason, Hon. Brian, Edmonton-Highlands-Norwood (ND), Government House Leader
Bilous, Hon. Deron, Edmonton-Beverly-Clareview (ND), Deputy Government House Leader	McCuaig-Boyd, Hon. Margaret, Dunvegan-Central Peace-Notley (ND)
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Carson, Jonathon, Edmonton-Meadowlark (ND)	McKittrick, Annie, Sherwood Park (ND)
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Clark, Greg, Calgary-Elbow (AP)	McPherson, Karen M., Calgary-Mackay-Nose Hill (ND)
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Coolahan, Craig, Calgary-Klein (ND)	Miranda, Hon. Ricardo, Calgary-Cross (ND)
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Cyr, Scott J., Bonnyville-Cold Lake (W), Official Opposition Deputy Whip	Notley, Hon. Rachel, Edmonton-Strathcona (ND), Premier
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Dang, Thomas, Edmonton-South West (ND)	Panda, Prasad, Calgary-Foothills (W)
Drever, Deborah, Calgary-Bow (ND)	Payne, Hon. Brandy, Calgary-Acadia (ND)
Drysdale, Wayne, Grande Prairie-Wapiti (PC), Progressive Conservative Opposition Whip	Phillips, Hon. Shannon, Lethbridge-West (ND)
Eggen, Hon. David, Edmonton-Calder (ND)	Piquette, Colin, Athabasca-Sturgeon-Redwater (ND)
Ellis, Mike, Calgary-West (PC)	Pitt, Angela D., Airdrie (W)
Feehan, Hon. Richard, Edmonton-Rutherford (ND)	Renaud, Marie F., St. Albert (ND)
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Gill, Prab, Calgary-Greenway (PC)	Schneider, David A., Little Bow (W)
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Gotfried, Richard, Calgary-Fish Creek (PC)	Shepherd, David, Edmonton-Centre (ND)
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Hunter, Grant R., Cardston-Taber-Warner (W)	Sucha, Graham, Calgary-Shaw (ND)
Jansen, Sandra, Calgary-North West (ND)	Swann, Dr. David, Calgary-Mountain View (AL)
Jean, Brian Michael, QC, Fort McMurray-Conklin (W), Leader of the Official Opposition	Taylor, Wes, Battle River-Wainwright (W)
Kazim, Anam, Calgary-Glenmore (ND)	Turner, Dr. A. Robert, Edmonton-Whitemud (ND)
Kleinstuber, Jamie, Calgary-Northern Hills (ND)	van Dijken, Glenn, Barrhead-Morinville-Westlock (W)
Larivee, Hon. Danielle, Lesser Slave Lake (ND)	Westhead, Cameron, Banff-Cochrane (ND), Deputy Government Whip
Littlewood, Jessica, Fort Saskatchewan-Vegreville (ND)	Woollard, Denise, Edmonton-Mill Creek (ND)
Loewen, Todd, Grande Prairie-Smoky (W)	Yao, Tany, Fort McMurray-Wood Buffalo (W)

**Party standings:**

New Democrat: 55      Wildrose: 22      Progressive Conservative: 8      Alberta Liberal: 1      Alberta Party: 1

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Oneil Carlier	Minister of Agriculture and Forestry
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Danielle Larivee	Minister of Municipal Affairs
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Brandy Payne	Associate Minister of Health
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## Legislative Assembly of Alberta

7:30 p.m.

Monday, December 12, 2016

[Ms Sweet in the chair]

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

### Government Bills and Orders Committee of the Whole

[Ms Sweet in the chair]

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

#### Bill 34 Electric Utilities Amendment Act, 2016

**The Deputy Chair:** Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Innisfail-Sylvan Lake.

**Mr. MacIntyre:** Thank you, Madam Chair. Well, I think it's rather obvious to everyone here that we have before us a problematic bill. It's very troublesome. A couple of things, I think, should be mentioned about Bill 34. This government doesn't seem to want to put caps on spending. It doesn't want to put caps on borrowing. It doesn't want to put a cap on lending borrowed money to the Balancing Pool. But, of course, the one thing this government will do is cap development. They'll cap emissions in the oil sands, but when it comes to borrowing money, this government just doesn't want to have any limits whatsoever, and even the limits that they originally put on they then removed. Kind of telling, I think.

So here we have Bill 34, and the situation with Bill 34, of course, is that there isn't really anything to amend. It's something like 50 words long. It is problematic from a number of points of view, one of which, of course, is that it isn't necessary in the first place. We have before us a bill that is completely unnecessary unless, of course, there's something else we haven't been told, and I'll get there.

But first let's talk about some of the things that we do know. Bill 34: some people might consider it the culmination of a series of errors, a comedy of errors except that the comedy is not so funny. It's going to cost Albertans nothing but money. We have before us this bill that is an attempt by the government to make sure that Albertans don't fully, clearly realize the cost of this government's mistakes. It's about covering the cost of the PPA debacle that this government created when it raised the price of the specified gas emitters levy only a few weeks into their mandate without doing any homework on the consequences.

It wasn't very long after that, as you all well know, FOIPs being the wonderful thing that they are – we know that the government was in fact warned repeatedly through 2015 from different sources about the impact that their meddling in the specified gas emitters regulation was going to potentially have, that PPAs could come back to the pool under section 4.3(j), the famous change-in-law clause. So raising that specified gas emitters tax resulted in the first of a series of dominoes that started to flip over, and the government then started to run from crisis to crisis to crisis to crisis trying to fix it.

Now, I'm going to dwell just a moment on the lack of necessity for this bill. The Balancing Pool already has and has had the power through the use of an approved rate rider to recover any losses experienced by the pool. Historically, if you look at your electricity bill, you will see that you've been getting a credit on that rate rider for years now. For years. The Balancing Pool has been run

profitably by the people running that pool, so any profit that they have made, of course, they pass on to you and me.

Conversely, should the Balancing Pool suffer any losses, those too must be passed on to you and me in that same line item on our bill. We believe that the government is somewhat afraid of showing Albertans the true cost of their mess, the mess that they've created in the Balancing Pool.

Now, the government estimates put the needed rate rider at just over \$1 a month per bill. Independent estimates from Andrew Leach have estimated this cost to be under \$3 per month per bill. It isn't like we're talking about a great deal of money per bill, per household, which leads to the question: then why? Why unlimited borrowing to the Balancing Pool to cover this? I mean, it's three, four bucks on our bill. What's the big deal over that? That's why I believe there's more to this that we're not being told than what we are being told.

Whether the higher or the lower estimate that we've been told is correct, the fact of the matter is that that low cost does not justify the removal of an important check on government spending. When I talk about an important check, it is simply the transparency to Albertans that they can see on their electric bill that the government has messed with the electricity system and that now it's costing me and you and all other households \$3 or \$4 on our electricity bill. The government doesn't even want us to see that on the bill.

Instead, in extending an open-ended line of credit to the Balancing Pool, the Balancing Pool now won't have to show that on our electricity bill. Furthermore, the pool is being given 14 years to pay back whatever it is that the government has to extend to them in the form of credit to cover the losses. What that means, then, as I have mentioned before in this House, is that the Balancing Pool will have a liability. That's a debt owed the government. The government on their books will show that liability that the pool has as, actually, an asset to the government. Such very creative bookkeeping. Lovely.

But the reality is, Madam Chair, that Albertans are still going to have to pay for that somehow. Now, if I was to conjecture just a little bit, I think the government is betting that electricity prices are going to climb high enough so that the Balancing Pool is back in a profit situation again and that the Balancing Pool is going to be able to pay that loan off. Still, here again, if prices in the pool go high, you and I still pay that. There is no way of escaping the reality that Albertans are going to be paying more money.

Whether we're paying it through increased power prices because prices are going up in the pool, whether we're paying it on a rate rider where the Balancing Pool is billing us for their loss, whether we're paying it in taxes as the government pays that debt down, any way you want to slice this, Madam Chair, Albertans are going to be on the hook for hundreds and hundreds of millions of dollars, all because a stubborn government refused to listen to the industry and take the industry up on some very good offers the industry put forward back in the late part of 2015.

This government stubbornly increased the taxes under the specified gas emitters regulation and wouldn't back off from that position. Then, to make matters worse, they decided to sue Enmax in some kind of a crazy attempt to appear to be battling on behalf of Albertans when, in fact, Enmax is owned by Albertans. So the press correctly said in one of the headlines: the government of Alberta is suing Albertans. Here we are. The government is suing us, the people, specifically the good people of Calgary, taking them to court because the company that they own was well managed.

7:40

We have some lawyers that are going to be making some good bucks out of this whole deal. Calgarians, unfortunately, are going

to be on the hook. And, of course, the government's lawyer isn't even from Alberta. They couldn't find a lawyer in Alberta, had to bring in a lawyer from outside of Alberta. Here we have the NDP currently suing Alberta-owned companies because this government did not know our own laws that have been publicly known for nearly 17 years, and somehow that's grounds for a court of law to go back and undo that contract. It is the most frivolous lawsuit, I believe, that any government could possibly have ever launched against anyone.

Furthermore, we've got a government that is not being fully honest with Albertans about what they knew, when they knew about power companies being allowed to return their agreements to the Balancing Pool because of the change-in-law provision. This government has been somewhat economical with the truth. The NDP government has got to come clean with Albertans about what they knew and when they knew it regarding the PPA issue and the change in law.

Evidence continues to mount that the NDP government's claim of not knowing about the risks of PPA terminations until March 2016 is patently not true, which means they could have done something about this before they raised the specified gas emitters tax and created the excuse for the power companies to turn back their PPAs. Now, Capital Power and TransCanada both outlined their concerns about PPA cancellations for this government in their submissions to the climate action panel, reports that ministers in this government have repeatedly claimed to have read. If you read TransCanada's and Capital Power's submissions to the climate action panel in the fall of 2015, they clearly delineate the nature of the potential risk, that if the government continues down this road of taxing carbon, they run the risk of PPAs coming back to the Balancing Pool. It's very clearly stated in those submissions, which ministers in this government claim they read. So they knew full well.

FOIPs that were obtained and released by the Wildrose clearly show that in November 2015 a briefing was prepared outlining the potential impacts on Alberta's coal-powered companies as a result of the NDP government's climate change policies, and though heavily redacted, the documents explicitly mention PPAs. On the 9th of December Enmax notified senior bureaucrats and political staff that they were considering terminating Battle River 5 under article 4.3(j), and Enmax alleges in documents they filed in the court that they directly informed Grant Sprague, Deputy Minister of Energy; James E. Allen, assistant deputy minister of electricity; Allison Hansen, senior policy adviser to the Minister of Energy.

Furthermore, an e-mail sent from the hon. Minister of Energy's chief of staff to an issues manager in the Premier's office stated, "Attached is a draft briefing note that has yet to be finalized but I believe provides the context that you need for question period . . . Should something arise." The title of that draft, of course, was "Change in Law" provision.

The evidence is quite undeniable, Madam Chair. The incompetence shown on our province's Energy file is unjustifiable. This government was elected on a mandate of increasing accountability and transparency, and it has completely failed Albertans on this particular note.

Now we have this Bill 34, a completely unnecessary extension of credit to the Balancing Pool, that already has a mechanism for recovering losses, losses that will only amount to a few dollars on our bills. But the longer this government continues down the road of changing their story and being less than honest about the facts surrounding PPAs, the more taxpayer dollars will be wasted on this mess. This government is either, as I said, being really economical with the truth or grossly inept. Economical with the truth: it's because I can't use the L-word.

No one forced this government to make any rash changes to the specified gas emitters regulation just weeks after getting into power. That was completely within their hands to do or to not do. Rather than take the time to see what kind of impact this might have, what kind of implications this was going to have throughout our electricity system, the government just forged right on ahead anyway.

The energy companies' claims are legitimate. Under section 4.3(j) the PPA explicitly outlines the right of a company to return its contract on the grounds of a change in law. This government attempted to convince the people of Alberta of the narrative that this was some secret backroom deal. They tried to get Enmax confused with big, bad, old Enron in order to paint a picture of Enmax as being a greedy, underhanded, shady, backroom-deal type of company when, in fact, Enmax is one of the most respected and well-run companies in this province. They run well on behalf of their owners, the people of Calgary. They are a stellar company, and it's shameful that this government attempted to tar them with the same brush as Enron. That was shameful.

Furthermore, the government's narrative was absolutely false. This was not a backroom deal. PricewaterhouseCoopers was watching over the entire proceedings in the development of the PPA contracts and the auction. PricewaterhouseCoopers reviewed the requests for inclusion of the more unprofitable clause, and their response was very simple. In writing they stated clearly that that was the government's intention all along, so, yes, include that clause. That is not a backroom deal. Everyone who was a player in the auction knew about that clause, knew about the letter from PricewaterhouseCoopers. The whole thing was being done above board. There was no backroom deal in spite of what this government has tried to suggest to the good people of Alberta.

Calgary's power company, all the power companies, the players in the auction, the Balancing Pool, and the creation of the PPAs: everything was above board. But there was somebody who didn't know. That would be the nondemocratic party members. They didn't know. And when they took power, they still didn't know. It's simply because they did not do their homework.

It's interesting to note, Madam Chair, that when this government took power and they started appointing ministers, one of the first things that happened was the doing away of mandate letters. Do you remember that? It wasn't very long after this government took power. Ministers were appointed to different ministries, and for the first time, I think, in generations ministers of the Crown were not given mandate letters by the Premier. In other words, they didn't have their job description. They didn't have a list of expectations that the Premier had for them as ministers of the Crown.

I should point out that the hon. Leader of Her Majesty's Official Opposition gave those of us that have portfolios a mandate letter. In fact, it was a mandate binder, frankly. It was a mandate binder. He had specific expectations for each and every one of us to fulfill with regard to the portfolio we were responsible for, but the Premier didn't seem to think her ministers needed mandate letters. So what was one of the first things that happened? Along comes Bill 1, the job description bill for the Minister of Economic Development and Trade. Had he had a mandate letter, we wouldn't have needed a piece of legislation to tell him what to do. This government's handling of things is just terrible.

Had they had a mandate letter, maybe the Minister of Energy would have had a little note in there somewhere saying: "You should probably read up on our electricity system that you're responsible for. You should maybe find out about what's going on there, what some of the issues are." It's just crazy how things have been going along here. So now we have the consequences of the government's actions. Their mishandling of the electricity file is

upon us, and I guarantee you that Bill 34 is not going to be the end of it.

7:50

The other interesting thing about Bill 34 being an open-ended loan to the Balancing Pool is that the unnecessary facts of this bill, like that we don't need this bill, tell me that something else is going to happen to the Balancing Pool. Look, the Balancing Pool is not run by a bunch of dummies. They understand. They are professionals. They've been in this for a very long time, and if they believe that they need an open-ended line of credit from the government, then I guarantee you that it is not simply to cover the losses from the PPAs coming back.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to the bill? The hon. Member for Bonnyville-Cold Lake.

**Mr. Cyr:** I was so enthralled with the Member for Innisfail-Sylvan Lake. I would like to hear more about the PPA arrangements, especially when it comes to how the government feels it has a mandate in this area to move in this direction even though they hadn't campaigned on it. Please, member, I would love to hear some more.

**The Deputy Chair:** Are there any other members wishing to speak? Seeing none, the hon. Member for Innisfail-Sylvan Lake.

**Mr. MacIntyre:** Thank you.

Well, it's interesting where this government has been taking this province compared to what they campaigned on and what they did not campaign on. They did not campaign on a carbon tax. Neither did they campaign on completely destroying our electricity system. They did not campaign on completely undoing a relatively good energy-only market in our electricity system and going to a regulated capacity market. These are things they did not campaign on but, you know, shockingly, both those items, the carbon tax and what we see them doing in the electricity system, are going to amount to tens of billions of dollars. Maybe that's why they didn't campaign on them. They were too chicken to tell Albertans what was really going to happen.

Is it possible, Madam Chair, that all along the government knew that they were going to seriously meddle with our electricity system? I believe that they did, and the reason I believe that is because within just six or eight weeks of coming to power, they started the attack. They meddled with the carbon levy under the specified gas emitters regulation right out of the gate without doing any analysis of the impact. I don't believe any government would come to power and do something so dramatic, so impactful if they hadn't actually had a plan to do that all along.

I will state here on the record, Madam Chair, that I believe this government knew they were going to do that, and they were too afraid to tell Albertans the truth. Now that they see what the impacts are going to be, the unintended consequences that they're now seeing, they're attempting to cover up the facts.

**Mr. Cyr:** With debt.

**Mr. MacIntyre:** With debt.

They're attempting to move the facts off the Balancing Pool and onto taxpayer debt to hide the reality, even a couple of dollars, even three dollars or so. Although, I will say this, and I was getting there. Because the Balancing Pool and the government probably know full well there's more stuff coming down the pipe here that is specifically going to impact the Balancing Pool adversely, I believe

the government knows they're going to have to give the Balancing Pool an open line of credit to cover something else that's going to hit the pool. I believe that that something is directly tied to the renewables program of 30 per cent by 2030.

I believe that the Balancing Pool is going to be experiencing so much volatility, so much financial adversity that they are going to need tons of money to cover it off, and the government doesn't want that showing up on our electric bill either. So they're going to lend the pool the money, and it's simply going to be shifted over onto our taxes. I believe this government is doing what became known as Enron accounting. If somebody is doing an Enron deal around here, it isn't the people that were the players in the Balancing Pool. It's this government right here, shifting things around from the pool to the taxpayer, from the ratepayer to the taxpayer, but it's the same Albertan. The same Albertan.

This Bill 34 is not necessary. It's covering up the truth from Albertans. It's a shameful piece of legislation. You'll note that we haven't put any amendments forward on it. There really is no point. There's nothing to amend. It simply needs to die.

I will not be supporting Bill 34. I would encourage all members of this House to not support Bill 34. This bill is not necessary, and it's simply going to be another government attempt at masking what's really going on with the people of Alberta's money.

Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to Bill 34?

Seeing none, I will call the question.

[The clauses of Bill 34 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? So carried.

## Bill 25 Oil Sands Emissions Limit Act

**The Deputy Chair:** Are there any comments, questions, or amendments to be offered on this bill? The hon. Member for Chestermere-Rocky View.

**Mrs. Aheer:** Thank you, Madam Chair. I would like to bring forward an amendment, please.

**The Deputy Chair:** Hon. member, this amendment will be referred to as A7. Please go ahead.

**Mrs. Aheer:** Thank you, Madam Chair. I would like to move that Bill 25, Oil Sands Emissions Limit Act, be amended as follows. Section 1 is amended by adding the following after clause (h):

(h.1) "partial upgrading" means processes that remove various proportions of the heaviest fraction of bitumen to allow for either a low diluent ratio or diluent-free transportation of bitumen.

Section 2(2) is amended by adding the following after clause (a):

(a.1) partial upgrading emissions as determined in accordance with the regulations.

Section 3 is amended by striking out clause (e) and substituting the following:

(e) prescribing a method for determining partial upgrading emissions and upgrading emissions excluded under section 2(2)(a.1) and (b).

Madam Chair, I'd like to talk a little bit for a moment about the aspects of partial upgrading. As the House knows, we've brought forward several amendments with regard to this bill, several very good amendments that we thought would help the government to actually have policy that will help us to make sure that jobs stay in the province, that we create the best products here in our province most environmentally and keep carbon leakage out of the process at least to the point that our portion of the market is not being snatched up by other people who do not produce as ethically and environmentally compared to what we do.

I would like to speak for a moment about an article. This is a little bit older article from 2014, just to clarify in case anybody mentions that this is an old article. It is, but the whole purpose of reading parts of this article and bringing it into the House is to keep in mind that these numbers were during peak times and peak prices, so it's just to give you some comparative information. The article is called *Field Upgrading Is Making It Possible to Pipe Bitumen without Thinning Agents*.

**8:00**

Now, when we're talking about pipelines and about bitumen flowing through pipelines, one of the bigger issues we have is that a good chunk of the capacity is taken up with diluent. I would hope that most of the members in the government would understand that diluent is expensive and that it's a hot commodity in this province and in Canada.

I'm just going to read some information into the record if that's okay. Natural gas condensate, which is sometimes referred to as natural gasoline, is an extremely necessary component in western Canada as the oil sands companies turn out more and more bitumen and diluent, and condensate thins that lovely, gooey bitumen so that it can flow through the pipelines and get to market. Now, the government has repeatedly told us about their two pipelines. Well, this is how we make sure that everything flows through the pipelines. The rising demand for diluent has, however, led to a condensate shortage. In fact, oil sands companies actually use about 350,000 barrels of this stuff per day, and we actually only produce, at least in 2013, around 145,000 barrels. So that supply-demand imbalance has condensate trading, as you can imagine, at a very, very hefty premium to heavy oil blends like western Canadian select.

Condensates help to move bitumen, but they hog space in the pipeline. This is extremely important when we're talking about capacity and actually making sure that we're getting as much product to tidewater or to refineries as possible. Industry might even be able to find a way to eliminate it. In fact, many companies are well on their way. One barrel of dilbit, which is diluted bitumen, is made up of 3 parts bitumen to 1 part condensate.

Again, if I could reiterate the importance of knowing the utilization of pipeline capacity. You are moving a ton of diluent around, and actually it has absolutely no real gain or benefit other than to move this heavy oil. If you could move this without diluent, which would mean encouraging partial upgrading, you would eliminate that cost, and that would be huge to these companies. I have some numbers to show what the difference would be in terms of efficiencies and costs. If you're able to remove that diluent from the pipeline, again, you have a lot more capacity in your pipeline. This would solve a humongous oil sands industry, as they call it, condensate conundrum.

The aspect of what we're talking about today: what we'd like to see happen here is the emissions that are coming from partial upgrading be exempted. This particular aspect that we're referring to is called partial upgrading. There are a couple of companies that I'd like to cite: *Ivanhoe's heavy-to-light* – HTL is the acronym.

They have an idea, and this again was in 2014, so depending on where they're at with this process right now – they've found a cost-effective way to upgrade bitumen so that it not only flows through the pipeline without diluent, but, even more importantly, it fetches a higher price at the other end.

I think this is something that we could all agree on because, at the end of it, that means more for Albertans, which means that there is more for – these are our minerals and our resources. The more that we can get from these, the better off all of us are going to be. They're going to fetch a higher price, and you don't need to build multimillion-dollar upgraders, so this is a fantastic opportunity. It bears the question: why would the government decide that they would like to cap emissions or not exempt emissions from a process that actually fetches us higher dollars, gets more of our product into the pipeline, and produces jobs here with an ethical and environmental method that, I think we can all agree, we do best? Albertans are amazing at this. Let's give them the opportunity to do what they do. It's in their DNA.

If we're talking about bitumen production, did you know that even in 2014 it was projected to dramatically increase from at that time 1.9 million barrels per day? Then the Canadian Energy Research Institute forecast oil sands production at that time, 2014, to reach 3.1 million barrels per day by 2020. As you can see, we need to be producing. It needs to be done here. CAPP had seen at that time, too, that production could reach as high as 3.8 million barrels per day and 4.5 million barrels per day by 2025. I mean, the numbers are obviously going to vary, and the forecast will change as well.

There are increases, and by extension, obviously, without partial upgrading, that means a lot more diluent. Again, I need to reiterate that diluent is massively expensive. We either lose it, or we have to pay to get it back. It is a very hot commodity, and it is extremely expensive. But we need some way to change the API of bitumen in order to get it into the pipeline, so if the industry has developed ways to alter the viscosity so that it is pipelineable without diluent, why would the government want to stop that from happening? This is a great idea, isn't it?

Again, to reiterate, it frees up a whole bunch of space in the pipeline networks. Believe me, they are currently facing bottlenecks, and even with the Trans Mountain pipeline expansion and the upgrading of line 3, without Northern Gateway we are without a ton of capacity. It is imperative, without that extra pipeline at this point in time, that this government is upgrading to the best of their ability or partially upgrading to make sure that we're not bottlenecking the capacity that we have right now, which isn't even close to being enough.

Again to go back to Calgary-based *Ivanhoe's* technology, they have, as they call it, cracked the code on partial upgrading and were planning to use this technology in its two heavy oil projects. The two projects are Tamarack in the Athabasca region and block 20 of the Pungarayacu field in Ecuador. They have, you know, interests everywhere. The government is always talking about Alberta-made. Well, here's a technology that's Alberta-made, and it looks like it might happen outside of the country first before it happens here. Together with *Ivanhoe*, another group, *MEG Energy*, who is actually on the OSAG panel, is another company with a high-profile plan to roll out partial upgrading in the field, and these are just a couple of the initiatives. There are also *Fractal Systems Inc.*, *Petrosonic Energy*, *Value Creation*. They are all looking to commercialize partial upgrading technologies.

Let me state again that the world's oil supply – the need is bigger. We're not reducing. Again, you know, if we're looking at GHGs and we're looking at reducing the footprint, obviously if we're keeping it in the ground and not producing, we're going to change



our footprint. But wouldn't it be nice if the footprint was changed because we actually put in the technology to alter that, giving us a lot more product to take to tidewater, which obviously helps out Canada, Alberta? It makes complete sense to me. I'm assuming this must be an oversight by the government.

One of the things I want to mention before I go on with this is that when we were reaching out to stakeholders, which were many, the industry was asking for clarity with regard to partial upgrading. Is it even included in the cap? The stakeholders are actually requiring and asking for clarity. They have actually asked for this amendment. As stated by oil and gas companies, partial upgrading is the technological Holy Grail for the oil sands industry because it actually enables producers to achieve considerably more value for their bitumen, which I've already said.

There's just no downside to this, and if the government is going to choose to not exempt these companies for their emissions, then what are we saying? That we're just going to fill the pipelines with diluent at a capacity that is not as good as with these technologies, potentially, and not get our full economic benefit from what is in the pipeline and still talk about capacity yet not allow capacity to happen? This in-the-ground, out-of-the-pipeline movement has to stop.

#### 8:10

The full upgrading uses like Syncrude's take the mined bitumen, and it eliminates the heavy ends, the impurities like sulphur, nitrogen through coking. The result is the synthetic crude, and that can be shipped without diluent through pipelines and is essentially refinery ready. It can be distilled into other products with little or no additional treatment. That is a very good-quality material, and it will get very good value. It is generally shipped down from Canada to the U.S. Light oil refineries love this material. Again, why are we stopping this? I'd like to know. How is this helping the climate leadership action plan? I'm not quite sure. It seems counterintuitive when the whole point is to change the footprint, yet we're allowing other jurisdictions to produce in much, much worse situations than what we have here.

I would like to go on to talk a little bit more about partial upgrading. As the name implies, it doesn't go as far as the full upgrading, like we were talking about with synthetic crude oil, that is done by Syncrude. It does not eliminate all the impurities and the residuals. But, at the end of the day, the whole purpose is to be able to send it diluent free. Even if it's not fully upgraded, there are still so many opportunities for jobs and for those dollars actually to stay here in our province and in our country.

Even with partial upgrading, some of the companies that are working on this want to go even further. They've actually said that it "misses the point if it's just about getting it to the end user without the requirements for diluent or for pipeline capacity." There are actually even more opportunities to take responsibility for those heaviest, carbon-rich portions of the barrel.

On top of that, Ivanhoe again has talked about how they economically process volumes as low as 10,000 barrels per day, and that actually makes it extremely well suited for the steam-assisted gravity drainage products in the oil sands, where the daily production could run to 20,000 to 30,000 barrels per day. These are wonderful changes, that we would be able to produce at that level and produce well and have the dollars to support that.

HTL, which is Ivanhoe's – that is, their framework with which they work – is a very straightforward matter. The way that it works is actually really neat. They put it in a cylinder. The bitumen has coke and gas molecules, and they blast it out with the application of intense heat. The lighter end product can be shipped in the pipeline without diluent. But the partial upgrading process does lead to a loss

of about 10 per cent of that bitumen. However, they do have the benefit of generating coke and gas by-products, which actually can be reused and converted to steam for the power of the operations and the purpose of developing the field.

And then another fellow, whose name is Kuhach, was talking about the HTL as well, that it improves the net-backs from Alberta heavy oil production by 65 per cent. That's massive if you think about the dollars that are associated with that, not to mention the amount that we can get into a pipeline. That's tremendous. There is a humongous difference in the profit for the barrel that you're producing, he says.

I must state again that we have to try and avoid or at least alleviate some of the pipeline bottlenecks that we're dealing with right now with western Canadian heavy crude. We're trading at steep discounts to the global benchmark. Having partial upgrading will help us make sure that we're getting our product to the markets that it needs to go to without losing that extra value-added.

In 2014 CAPP was talking about these bottlenecks. Again, we don't have Northern Gateway, so even with the two proposed pipelines, the expansion and the upgrade of line 3, we need to figure out ways to make sure that we're getting as much capacity into these pipelines as possible. In 2013, actually, CAPP listed 12 proposed pipeline projects, which did include the Northern Gateway at that time. If you can imagine, if we can up our capacity – and much of it is in the Gulf of Mexico refining hub – we could actually eliminate the bitumen bubble discounts. That would be massive.

I mean, if I remember correctly, when the minister and the Premier were in opposition, they talked about this all the time, about value-added and about the difference and about the discounts. But the fate of some of the bigger projects such as Northern Gateway and all of those is uncertain, so we really have to work toward what we have with capacity at this point in time and make sure that we're doing our very best. I mean, depending on when these actually get in the ground, even right now with what we have, we need to get as much capacity into pipelines as possible. If you look at transportation constraints, we don't know what's going to happen with Keystone XL, and if we're talking about that transportation, until we know that that's improved, again, we need to get as much capacity into the pipelines as possible.

If we're talking about more profit per barrel and we're talking about the ability to do it in Alberta, where we can create jobs and do it more environmentally and economically, and we're talking about actually being able to get our product to tidewater, which is talked about in this House on a regular basis, we need to be on the same side of this. We need to make sure that we are exempting the emissions for partial upgrading.

MEG Energy actually has their own proprietary partial upgrading technology. Now, this is called Hi-Q process, and it's like the HTL by Ivanhoe. It cuts the diluent out of the transportation equation. A presentation states that diluent adds \$12 to each barrel. Twelve dollars. We're talking millions of barrels of oil a day. Twelve dollars is huge in the cost of producing a barrel. Actually, in 2013 MEG Energy was producing about 35,000 barrels per day, give or take a couple of hundred, but it is hoping to have an installed production capacity of 260,000 barrels per day by the end of 2020. So imagine.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A7? The hon. Member for Battle River-Wainwright.

**Mr. Taylor:** Thank you, Madam Chair, for the opportunity to speak to this amendment. This is just, I think, a fantastic amendment. I think everybody here should agree that this is a fantastic

amendment. You know, partial upgrading just makes sense from all the points that were previously brought up. Less diluent is needed, and in a lot of cases virtually no diluent is needed. That's going to save literally millions and millions of dollars, and now we'd have the ability to have more space on our pipelines. We can send more product down there. If we're sending more product down the line, well, we're going to be creating more jobs, and we'll be creating more taxes for this province, which is more revenue for the government. It's something I think the government should be happy and excited about.

Really, this increases jobs. This partial upgrading, like I say, just increases so many different jobs and revenues for the province. You know, if you look at that, if we're busier working with these, then we've got more people in the hotel industry. They're busy. You've got people with more vehicle sales because now those things are going to be back up and active again. They're busy. You've got people – I guess part of the vehicle is your tires. Well, they're going to be running up and down the roads a little bit more. The people that are selling tires, people at the convenience stores, restaurants, all sorts of jobs right across Alberta, are now busier. It's got this effect that keeps flowing. It just, like I say, frankly, helps our province to no end.

8:20

So there's more money, more taxes, more jobs, more exports. It just makes, like I say, a lot of sense. And the NDP ran on this. They ran on the idea of more jobs and being able to get more from the product. So I'm excited. This is something that you should be able to embrace because it's something that you ran on, the idea of having more jobs, and this will help make sure that that happens.

Last week they had a puffball kind of a question on that one, and it spoke to it, but you were embracing the idea, it seemed, on that question – I don't have it in front of me – of having partial upgrading. Like I say, it's just good for our province.

You know, Reagan talked about this in a kind of way. He had a quote on big government attempting economics. Reagan said: "If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it." That's what the NDP is trying to do with our oil industry right now. They're subsidizing it, but we need to be able to use practical, sensible approaches that our stakeholders, the people in the oil industry, are asking for.

This one just absolutely makes more sense. You know, it's more environmentally friendly. When you think about it, if you're reducing risks to the environment by reducing the well-to-wheel greenhouse gas emissions – where you have to move it by the train, if you've got a pipeline, then you don't have to have it from the well to the wheel.

You've got so many ways to look at this. It's more environmentally friendly. You don't have to worry about some products maybe contaminating water or soil because it's going to be more of the pure product, so you eliminate the risk of a dilbit spill and eliminate greenhouse gas emissions. Long transportation of dilbit is eliminated. There are so many different ways that you could look at this. Probably about 30 per cent fewer export pipelines are going to be required, so we don't have to go and ask as many times for more pipelines.

Lower costs, value-added for petrochemicals – and we want value-added. We want to be able to have some more money stay in this province. If we have these things happening with this partial upgrading, you're producing more jobs that are going to stay in this province. Then, frankly, we're not shipping that money down to the United States. If we're keeping our money here, well, that's better for us. I'm standing up for Alberta. Whenever I have a chance, I'll do what I can to stand up for Alberta, and this stands up for Alberta, for Alberta jobs, for our values that we have.

So, frankly, I'm all for this one. I truly think that all members should be able to agree that this is, I guess, the far superior way to go. With that, like I say, I'm in favour of this amendment, and I hope that all the members here will vote in favour of it, too.

Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A7? The hon. Member for Edmonton-McClung.

**Mr. Dach:** Thank you, Madam Chair. I am pleased to rise to speak to amendment A7. I do wish to encourage all members to oppose the amendment, as I do. We've got nothing against partial upgrading. In fact, partial upgrading is a technology that's well on its way to being a reality on a large commercial scale. The caucus is extremely familiar with this process and looks forward to seeing it adopted on a large scale so that indeed we can increase pipeline capacity by not requiring diluent to be added to the bitumen. And it flows without diluent. It is definitely a game changer, and it's almost here. In fact, about a quarter of the caucus was up visiting MEG Energy's Christina Lake project and had this explained to us there, letting us know that they were looking very closely at upscaling to a commercially larger demonstration project so that the process could be confirmed. That definitely is something that will be happening.

What this amendment seeks to do is, really, to just simply create an exclusion of the emissions cap, which is totally unnecessary. This process is on the way, and it's going to be out the door. It's a prime example of companies competing to get a process in place that will benefit the whole industry, but each of them is looking to claim the process for themselves. It's an example of what can be done when companies do compete with each other to improve their capacity to let oil flow more quickly and without diluent in our pipelines and to improve the bottom line for the companies and also the revenues for the province. So, definitely, we certainly champion the technological improvements that we see in partial upgrading of bitumen to the point where it will flow without diluent. It's a great thing, it's almost a reality, and we look forward to its implementation.

This exclusion to the emissions cap, that this amendment seeks to create, is an unnecessary benefit, and I look forward to opposing it. Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to the amendment? The Member for Calgary-Foothills.

**Mr. Panda:** Thank you, Madam Chair. I was really surprised by the comments from the previous speaker because of his partial knowledge and because of these partial facts he brought up, and I'll tell you why. The Member for Calgary-Fort may be an expert in finance, but I can call myself an expert on upgrading and refining and extraction mining. It may benefit you if you let me just bring you the facts, unlike the partial facts brought up by our colleague from Edmonton-McClung.

You're right when you said that large scale is happening. When you say "large scale," large scale is a full-scale upgrader like what Suncor has or Syncrude has or CNRL has, with full-scale operations like cokers, hydrotreaters, hydrocracking, and all that, which, to build that upgrader, will cost something like \$15 billion. To have 150,000 to 200,000 in upgrading operations, it will cost something to that tune. So that's full scale. It's happening. It's happening on the major sites where we have mining operations. But the fact is that mining operations are limited in terms of the resource availability. Eighty per cent of the resource is deeper, which has to

be extracted using thermal technologies like SAGD. That said, those facilities, you know, like the SAGD facilities and the cyclical steam facilities do have partial upgrading on-site.

Let me take you back to the full-scale operations of upgrading. When we talked about the Voyageur project at Suncor, for example, we did the engineering for that project three times, three different times. A hundred per cent of the equipment was ordered, the foundations were even built for the cokers, and the cokers were on their way. Four years ago that project was shelved because of the cost differential between WCS and synthetic crude oil. There was a reason why they did it, because it's not economical anymore because the difference was too low to invest \$15 billion in an upgrading facility when you have pipelines which can take it to the Gulf coast of Mexico, where the refineries are upgraded to handle our heavy crude. That's a fact. That's why they shelved that project.

8:30

That's the time when the previous Premier of the province was talking about the bitumen bubble, if you remember that. That was because of the differential and whatnot. At that time, conveniently, when the Government House Leader was the NDP opposition leader, when he was here, sitting on this side, they used to cry aloud every time: "Oh, the PC government is shipping jobs and prosperity to the south. We should do more upgrading here, more upgrading here. Keep the jobs here." Now that they're the government, they've changed their minds. We brought in an amendment to at least exempt upgrading our cogen from this arbitrary 100-megatonne cap, which government members have generously voted out. They speak from both sides of their mouths now in this House. I don't get that. I don't get that. If you're not a technical expert, please do consult the industry.

You mentioned MEG Energy, that your caucus has visited, probably the bus tour to show you the facility, which is good. But then did you consult them about this amendment before you asked – Madam Chair, I'm asking the Member for Edmonton-McClung: when he quoted MEG Energy, had he consulted them before opposing this amendment? No, I don't think so. If he consulted them, they probably would have told him the difficulties of shipping the bitumen, which is not viscous, which is not easy to flow in the pipeline.

Either they have to partially upgrade and have a diluent recovery facility there, so they can build another hot bitumen pipeline so they can straight away ship it to an upgrader, or if they don't have partial upgrading, they'll be spending more money using diluent and shipping it to the terminals which are located in Hardisty, which is represented by the most hard-working member on this side.

You know, when he spoke about partial upgrading, at least, you know, he knows what he is talking about because Hardisty is there, in his riding. That's where most of his operations are happening. They have to recover the diluent and send it back. That means they are incurring additional costs. That's why SAGD facilities' economics are not in their favour when the bitumen price comes down. That's a fact. Having said that, Madam Chair, it's a common-sense amendment to help improve the economics of these SAGD producers because 80 per cent of the resource has to be extracted using thermal technologies like SAGD.

Today the Minister of Energy during QP to one of the puffball questions said that, you know, it's important to ship the oil through pipelines so we can get the \$3 premium for our product when we get it to tidal water. She's absolutely right. That's why we needed those pipelines. She said that by not having the pipelines, we're going to lose \$13 billion, or something to that extent, which, again, she's right. She doesn't need to convince me of that, not even my colleagues on this side of the aisle. She has to convince the people

on the OSAG committee who are opposing pipelines, not us. We agree with her. If there is anything we could do to help her, we are happy to do it.

One way of helping her to get some credibility with her stakeholders is to approve this amendment. That way she can actually help the companies the previous speaker mentioned, MEG Energy and those kinds of companies. Partial upgrading really helps them. I'm sure they would have, you know, contacted the government members to speak for that. If not, maybe they're really scared of the government. I don't know what's going on because they didn't stand with them at the climate change plan announcement.

There are maybe some reasons that they are not speaking about that, but if the Energy minister takes time to call them tomorrow, I'm sure they'll say that this is the right amendment. I would encourage her to take time and do the right thing: talk to the stakeholders and get the facts straight. Not partial facts; get them fully correct. That's how we should operate in this Legislature. We shouldn't base our decisions on ideology or half-cooked information. We should have the full information.

That said, Madam Chair, I support this amendment brought in by my hon. colleague from Chestermere-Rocky View. There are so many reasons to support this amendment. By partially upgrading, we are going to improve the economics of SAGD projects. That will help us to free up the pipeline capacity, which is really crucial. Also, that would actually bring in more investment from the existing SAGD operators. I can give you a few examples. For example, Firebag stages 3 and 4 of Suncor operations are already doing kind of partial upgrading. They have a diluent recovery unit there. They take out diluent there. Then the bitumen is still at 300 degrees centigrade, so they built a hot bitumen pipeline. Instead of shipping it to the terminal, they're shipping it directly to the upgrader. So they're reducing their costs.

There are other SAGD operations where they can actually do partial upgrading, like sulphur recovery units or vapour recovery units. Those are all called partial upgraders. But now if you count the emissions from them in this overall cap of 100 megatonnes, that will restrain investments in those SAGD facilities for partial upgrading.

You know, in the first place, this cap itself is very arbitrary. They just pulled in that number from thin air because it's round and nice and an easy number. But there is no impact analysis done by the Department of Energy or the department of environment to show to us. If it is done, please show it to us. Convince us that 100 megatonnes is the right number to cap at. If not, at least apply common sense and support reasonable amendments like that.

You talk about creating jobs. These are the projects. There are so many SAGD projects approved. They're not going into construction because of all these problems. We have about 1.7 million barrels worth of new SAGD projects approved by regulatory authorities. Taking that, if we approve partial upgrading, at least some of them may go into construction and production, which will in turn create jobs and improve our overall economics.

I don't know what else to say, Madam Chair. These are the basic facts. Anyone who wants to actually apply their mind to that will easily understand that. They will easily make the right decisions. So I urge my colleagues on the other side of the aisle to please talk to the stakeholders and do the right thing by supporting this amendment.

Thank you, Madam Chair.

8:40

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A7? The hon. Member for Calgary-Hays.

**Mr. McIver:** Thank you, Madam Chair. I appreciate that. Let me just say that I want to thank the hon. member for the amendment that's before us because I think it's well thought out, and I think it's logical for us to support it.

There was a time when some of the government members were over on this side of the House, and one of the things that I remember several of them saying when they were over here is: pipelines just ship jobs to somewhere else. Well, that's partially true. It's not completely true, but it's surely partially true. It was true when they said it then, and it's still true now. It's not a hundred per cent true, but there is some wisdom to that that I actually believe is true. What you're talking about here, this amendment, is to (a) provide all the benefit that we can get out of the pipeline and (b) actually look for opportunities to do some further processing here so that you keep more of the jobs here. That's why I think this amendment makes very good sense.

Again, the mover talked about diluent-free upgrading or partial upgrading of bitumen, that would make it more friendly for pipelines, and I think the logic of that is absolutely inescapable and wise to think about. If the technology is there and can be developed, I think that's very, very insightful and thoughtful thinking. As the hon. member said, there are people actually working on that technology and some that think they have – I think the phrase used is “the code cracked.” They think they have found a way to actually make it happen. So, Madam Chair, I think that's a good thing.

The other thing, too, is that it actually provides some more room for production of our oil and gas industry. There are lots of troubling things about Bill 25, but one of the most troubling things about it – and the government should be more troubled about it than I am and that members on this side are – is that they're very happy that the federal government has approved two pipelines while they've been in government, and I would think all members of this House are happy about that, but then the government side continues with Bill 25, which essentially may at some point nullify one or both of the pipelines by making it to the point where you can sell more product, but you actually can't produce it to get it to market because you're on some artificially invented emissions cap.

Let's face it. If you actually care about the environment and you care about emissions, one thing that we all share in this world is the air. We share the air with every other country in the world, with every other city in the world, with every other citizen in the world because, of course, it moves. So if we don't put our oil and gas in a pipeline, get it to the coast, and sell it to somewhere else, you know where they're going to buy it from, at least some of it? They're going to buy it from Venezuela. They're going to buy it from Russia. They're going to buy it from OPEC countries that have a lot lower environmental standards than Canada does. In other words, this artificial cap will probably have a negative net effect on the environment over time, and it will have eventually a net negative effect on Alberta's economy and Canada's economy for a whole number of reasons.

Listen, Madam Chair, the government should be happy about the two pipelines. They should be happier when they get built. But they need to bear in mind, the government, that they have spent so much money – so much money – that by the time the next election comes, even when they fill this pipeline up with everything that it can take, the one to the west coast, the royalties that come from that actually won't even pay the annual interest payments on the money that this government has in loans. This government, in order to turn the corner in a positive way for themselves, actually needs another pipeline or two yet to keep up with their incredible spending habits.

When they put a cap on the emissions, they're actually cutting off their own governmental opportunities for success. Wouldn't it be a shame – and it may actually come to pass at the next election

– if one or both of these pipelines are under construction, everybody believes they'll get done, and people do the math, and they say: “Well, you've got two pipelines, but we're still going backwards because you have borrowed so much money that the royalties from the pipelines won't even pay the interest payments”? So with the cap on the emissions the government is kind of shooting itself in the foot. On the best news that they could have in getting pipelines, they're actually making an effort now with Bill 25 to nullify that. This amendment actually gives the government a chance to partially save themselves from their own lack of planning, their own lack of foresight.

The other thing that I think is true is that with the emissions overall – and this would help with some of that, too – right now the large oil sands companies seem to like Bill 25, of course, because they've made it incredibly uneconomical for anybody else in the oil sands to put in a large installation and compete with them. Who wouldn't be happy if the government gave them a virtual monopoly with the four players that are there. Between the four, the government has given them a monopoly because somebody else, to make it economical, would have to put in the same level, essentially, of investment that they have – \$8 billion, \$10 billion, \$12 billion – and feel assured that they could recoup their investment over 50 or 60 years. How could they possibly be confident of that with Bill 25 in place and this artificially manufactured limit on emissions?

The interesting thing is that many of the innovations that are good for the environment, many of the innovations that are good for competition come from small oil and gas companies. The Oil Sands Emissions Limit Act essentially cuts those small companies out from getting into the oil sands because with the emissions cap there, again, they won't feel confident that they can put the large investment in that they have to and then feel confident that they can fully exploit those large investments for 50 or 60 years because if they bump up along the emissions cap along the way, then, of course, why would you start? You know, investors are smart enough to ask these questions of companies, and this NDP government has put conditions in place with this legislation that the investors may not like the answer.

Madam Chair, what that adds up to is that this amendment from my hon. colleague from Chestermere-Rocky View actually kind of bails the government out of something that they missed and didn't think of when they put this legislation in place. As much as it's not our job to help the government out, it is our job to help Albertans out, and if the government was wise, they would support this because by helping Albertans out, they may actually reap the benefit for it at some future election date.

Again, while this is bad politics for me to suggest that the government approve this, it's good for Alberta. That's who I really get paid for and we all really get paid for, Albertans. We should be thinking and acting in their best interests, and from what I can see and understand, this amendment is in Albertans' best interest, which is why I'll be supporting it and why I recommend other members in this House to do the same.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A7? The hon. Member for Bonnyville-Cold Lake.

**Mr. Cyr:** Thank you, Madam Chair. Now, I had spoken on one of the past amendments, the cogen amendment, and I spoke in favour of that one because it was actually a good route to go. It was doing something very similar, trying to remove a cap that would prevent possible cogeneration being built in the future. That, specifically, in my discussions in front of the government was saying that this is

actually going to affect my riding and the ridings around me because when we're not actually going out there and utilizing all of the resources at hand, we have a real problem.

Now, this specific amendment, because I should get to this amendment – I am very distressed about what the Member for Edmonton-McClung was talking about. He was going on and on about how it's not ready yet and all that kind of stuff. You know, what I did is I actually did a little bit of research on it, and I went to Alberta Innovates. For *Hansard* that would be [albertainnovates.ca](http://albertainnovates.ca). I actually have a wonderful article here from October 27, 2016 – October 27, 2016 – so very recent. This isn't something that was written eight years ago, 10 years ago. This is something that was written months ago. I would like to read the opening statements.

**8:50**

The header is Enhancing Alberta's Competitiveness: National Partial Upgrading Program. Then it goes on to say:

Thanks to synergies between [Alberta Innovates] and [national resources Canada], a national program on partial upgrading was initiated in 2015. The goal of this program is to support the 2030 target that 20 per cent of in situ production will become partially upgraded to improve the quality, reduce the need for diluent and improve transportation and access to new markets.

Wow. That does seem to be a route that we are probably going in.

What is partial upgrading? You know, I always like to have a clear understanding of it. Well, in this thing here they did this national partial upgrading program. This study was

to identify the gaps in understanding and development [and] help prioritize future research focus and direction in partial upgrading – which is of strategic importance for [Alberta Innovates], the province and Canada.

Wow. How can this government vote against that? That's remarkable. This is voting against my riding. This is truly, truly remarkable.

When we go on, this is a success story within their group of success stories. They actually go in and say that partial upgrading is a success that was brought forward by Alberta Innovates. That's, again, something that our province can proudly say that we've moved in that direction. We are moving our oil production in a responsible direction, yet our government continues to put artificial caps out there so that it attacks our oil sands. It attacks our ability to be able to be competitive. It attacks our ability to be able to bring down the CO<sub>2</sub>, that we are looking to bring down across the world.

This is all that you've heard. You've heard from an expert from Calgary-Foothills, who explained the process. He is going through this and explaining how it should work. We hear from another expert from Innisfail-Sylvan Lake, who is explaining exactly what is important for us and that this is an important part of Alberta's future. Yet here we are. We're hearing from the government, and they're saying that this is not the direction to go.

Now, another point that they've got here is:

As part of our leadership role, Alberta Innovates works to champion the innovations and informs the public about the importance and the scope of this work. Our publications tell stories of impact and provide accountability for our investments and activities.

Well, "champion," "innovations": this is exactly what this government has been talking about. We haven't seen it so far, and that's a true shame. What we have seen is a government running headlong into the wall numerous times.

I'll tell you that their jobs plan, that was supposed to be stellar, ended up being a total failure. In the end, they were warned repeatedly that this was not the direction to go, and my riding took the brunt of it. High unemployment: this is something that we could have prevented by bringing stable government, but this is nothing

that this government has moved forward. There's no stability here because we continue to run headlong into an ideological roof from this government. That is just tragic.

I am going to go into a bit of it. Bitumen value-added: this wasn't just something they took idly. What it is is that they

completed [a phase] of the Oil Sands Competitiveness study with participation by the Federal government, the governments of Alberta and Saskatchewan and six companies. The study concluded that partially upgraded bitumen (PUB) will increase the overall value of Athabasca bitumen and that PUB products will be broadly accepted in global crude oil markets.

The most attractive markets are refineries across this world. It also brings additional high-capacity access to tidewater, which is necessary for other markets.

Now, they do go through a whole bunch of other wonderful points – and I don't want to go through all of them – but the one that actually piques my interest is:

Managed, on behalf of Emissions Reduction Alberta (ERA) . . . two multimillion dollar/multiyear pilot projects of partial upgrading technology. Other projects managed on behalf of ERA included piloting a low cost oxy-fuel technology to capture CO<sub>2</sub> from a once-through steam generator for in situ oil sands extraction, and converting waste CO<sub>2</sub> into high value products such as Dimethyl Carbonate.

It is remarkable what we can do – it is truly remarkable – and we are planning on capping that innovation. This is a tragedy.

I can tell you that this is a move forward for my riding. This is a move forward for Alberta. I encourage every government member to vote for this because, in the end, they're harming Alberta if they don't.

Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A7? The hon. Member for Grande Prairie-Smoky.

**Mr. Loewen:** Thank you, Madam Chair. The reason that we're sitting here debating this amendment to bring partial upgrading out from underneath the cap is because our motion to remove upgrading, period, from underneath the cap failed. The NDP government voted it down.

Now, I just want to quote something here from Alberta's royalty review advisory panel. It described partial upgrading as an "opportunity to diversify our product range and alleviate some of the challenges facing the marketing of our oil sands resources." The panel recommended accelerating the commercialization of partial upgrading technology. There we have the government's own royalty review advisory panel suggesting that this is a great idea.

[Mr. Sucha in the chair]

Now, anytime I'm faced with a great idea that I would feel is something that is worthy and worth while, I think the last thing I'd want to do is to cap it, try to keep it down to some lower level. It doesn't make any sense. A partially upgraded product produces a medium to medium-heavy grade of oil, which fills a currently undersupplied demand in refineries and doesn't compete directly against U.S. shale light oil. What we're talking about here is a value-added process, a process that takes the oil that's produced in the oil sands and puts it into a form that not only is more valuable but also easier and less costly to ship.

We have a government here that seems to be all excited now about pipelines. I mean, they protest them, and then they celebrate when they get approved. I'm not sure how they justify that in their own minds. That seems to be a little bit odd. If you're celebrating pipelines and the purpose of a pipeline is to move product and the

purpose of upgrading and partial upgrading is to move product, why wouldn't you celebrate the same thing? If you're going to cap moving product based on an upgrading process, then, obviously, you're capping oil transport, so you're capping pipeline capacity.

I would laugh, but I guess it isn't really that funny to hear the Member for Edmonton-McClung get up and say that he thinks upgrading is good; therefore, he's going to vote against the amendment. Now, does that make sense to anybody – or is it just me? – that the Member for Edmonton-McClung would say that upgrading is good, so let's cap it? That makes no sense at all.

9:00

He also says that they champion upgrading – I believe that's the term he used, "champion" – champion upgrading with a cap. Well, Mr. Chair, that makes no sense to me, though I have to admit that much of what this government does makes no sense to me and probably not just me. I think that there are a lot of Albertans that are wondering what this government is doing and why.

[Ms Sweet in the chair]

I mean, we look at bill after bill that comes across our desks here that is damaging to business, damaging to Alberta's economy, and this government forges ahead with them. If they're not passing bills that are damaging the economy, they're passing bills to deal with the effects of the bills that they passed that are damaging the economy.

Anyway, Madam Chair, I have to support this amendment. It only makes sense. If we want to have value-added products in our province, if we want to create employment in our province, if we want to get our product to market, then it makes no sense at all to cap upgrading. There's nothing else to say.

Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A7? The hon. Member for Chestermere-Rocky View.

**Mrs. Aheer:** Thank you, Madam Chair. Okay. First of all, I just need to talk about a few things that were said by the member from government on this side here. I don't have the benefit of the Blues, but I think the words that he said were that we are impeding it and that the government has championed it. Yeah, I'm just going to go on those two for the first little bit here. Actually, what we're trying to do is to open the door so that these processes could actually do what they've said they want to do.

Maybe I should read my amendment again because the amendment is actually reducing the red tape, that's been put in by this government, stopping upgraders and partial upgraders from actually being able to do what they've said to do. As the member so eloquently said, this is a great idea. So maybe the government would like to get out of the way and actually let these processes happen. Just saying.

Then, secondly, that you've championed it: well, again, you might want to read my amendment because the industry has actually asked for this amendment. It actually comes from them. I didn't just make this up. Again, you might want to read the amendment before commenting on it. The government has excluded industry from this process.

**The Deputy Chair:** Member, speak through the chair.

**Mrs. Aheer:** Sorry, Madam Chair. Thank you for the reminder.

The government has excluded industry from this process, not included them. If you're going to include them, how about we exempt them from the emissions cap so that they can actually do

this great work that the member said himself – speaking of members, the Member for Athabasca-Sturgeon-Redwater last week asked some great questions about upgrading. It says here that these are the people who add value to our resources right here at home, and he went on to say: "Given that our economy has for far too long relied on exporting our raw resources and given that Albertans want to see more jobs in the value-added sector." I mean the hypocrisy is palpable, Madam Chair.

Here we go. We have on one day the government voting down upgrading and not exempting them from the emissions on upgrading and then on Thursday talking about value upgrading. Here we are presenting another amendment to actually help with value-added, and based on what this member was saying and what the other member was saying about value-added, I would assume that actually allowing upgrading to happen would be probably the next most logical thing. I don't know. Maybe it's too late in the House, but reading the amendment would be a start. Just saying.

One of the other things needed – and maybe the government needs this, too – Madam Chair, is some clarity. The sector is certainly asking for clarity, and maybe we need some definitions here.

The more diluent that is in the pipelines, Madam Chair, the more money we lose. The more that we're able to upgrade and partially upgrade, the less diluent is in the pipeline, which increases our capacity, which helps all of us out. The more diluent we keep out of the pipeline: that is value-added material that actually increases the price of the barrel of oil for us. As the Member for Calgary-Foothills mentioned, we get ourselves out of the bitumen bubble. We bring closer the spread between western Canadian select and the cost of what that does. We're actually going to be making money.

On top of that, the added benefit to this is that we do it environmentally and we do it economically here in our province, where we should be producing more. If the government actually cares about the environment – and I'm assuming they do – then you'd want to produce here and not be exporting these jobs and these upgrading processes elsewhere.

In your own royalty review, the one that the government keeps touting – and I mirror what the Member for Grande Prairie-Smoky said – the panel recommended accelerating and commercializing partial upgrading. It is worth saying again: it was in the royalty review. But then, again, there have been a gazillion other panels that haven't reported yet or that did and the government hasn't listened to them, nor will they because this bill will be put through this week without any information coming from the panel.

We have an opportunity here. Partial upgrading provides a unique opportunity for this province, a unique opportunity for the government to do right by the people of Alberta. This is their resource. We don't have to build multimillion-dollar upgraders to do this process. Come on. Can we just talk about this in a common-sense way and not have members who actually are not reading the amendment commenting on it, telling us that we're the ones who are impeding this process, when it comes from stakeholders and we're bringing forward amendments that are actually going to help out this process?

This will fill a currently unsupplied demand. Let's just talk about the economics of it for a minute. Partially upgraded products of medium and medium-heavy grade oil fill an undersupplied demand, and it doesn't compete directly with U.S. shale oil, which fully upgraded materials do. This is an immense opportunity for this province. The jobs created through this association, through being able to do this – there should be absolutely no reason to debate this. This is a no-brainer, but the government already took upgrading off the docket. We can't convince them about the 100-megatonne cap,

and we can't convince them about the 10-megatonne cap. Please consider that if this government is so behind partial upgrading, as the member has said, this actually allows the process to happen.

The minister of environment has said that the entire reason for doing this was to be able to address central issues facing the oil sands. Well, here you go. Here is an opportunity. It also is supposed to talk about investment and innovation and the developing process and to address local and regional environmental issues. Well, I can't think of a better way of addressing this issue than developing here, producing here, using our assets here, especially for the folks that live in these areas, their ability to be able to do this here. By allowing this amendment to happen, you are creating jobs, bringing forward diversification, adding dollars into this province. An Alberta-made project in Alberta, by Albertans, that is for Alberta and the prosperity of Canada. We are the economic engine. We say it all the time. It bears saying again.

Thank you.

9:10

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A7?

Seeing none, I will call the question.

[Motion on amendment A7 lost]

**The Deputy Chair:** We are now back on the original bill. Are there any other members wishing to speak?

**Mr. Panda:** What a day, Madam Chair. I'm really thoroughly disappointed that government members chose to defeat this common-sense amendment. We made so many attempts to make this bill better. I think I'll make one more attempt to get the members on the other side to understand the basics of this bill and the basics of this business.

In the words of my colleague from Innisfail-Sylvan Lake – he talked about 101 programs, so I can say that this is my oil sands 101, if you like. At least for my neighbouring ridings, members like Calgary-Northern Hills or Calgary-Hawkwood or Calgary-Mackay-Nose Hill or Calgary-Varsity – I'm surrounded by government members. The people in Calgary-Foothills expect me to at least share what I know, a little bit about this business. At least that may sink in. I know it's tough to understand at 10 minutes past 9 o'clock at night, but pay attention a little bit, and you might change your mind.

Madam Chair, the reason I oppose this bill capping emissions at 100 megatonnes, like I explained so many times before, is that the way I see it and the way Calgarians and Calgary-Foothills people see it, it's an attack on the economic prosperity of Alberta. The Member for Edmonton-McClung is on record in *Hansard* saying that it is capping production. It is truly capping production. It's capping jobs, it's capping economic development, and it's capping immigration. I talked about that, too, previously. You know, people like me come here for the economic opportunities. They want to cap those opportunities for hard-working people here who want to play by the rules and pay taxes in Alberta and contribute to the economic growth of Alberta. That's why I'm disappointed.

We have a resource that nobody else has. We are blessed with the resource, and we want to strand it in the ground for no rhyme or reason. There is no common-sense logic that government members gave me to agreeing to strand this resource in the ground, which is \$250 billion, not a small amount, Madam Chair.

I talked about good reasons to not support this bill. Then we tried to make it better by bringing in common-sense amendments in line

with what the NDP used to say when they sat on this side of the House. None of those cut logic with the government members.

To take you one step back here, we are talking about the resource we have, which is the third-largest in the world behind Saudi Arabia's and Venezuela's. Unlike Venezuela, you know, which has a similar resource to ours – most of it is also oil sands, which is heavy and needs more resources and more money to make it light and sell it in the market – the Saudis have a distinct advantage because their oil is light. Ours is heavy, and we don't have access to the market; we are landlocked. So to start, although we are blessed with the resource, we are at a distinct disadvantage compared to the largest producers of the world or the countries that have the largest resource as compared to Canada.

That's why, although we have the resource, our costs are too high, so we have to make it easy for the businesses who want to develop those resources. But this government is making it too difficult for those companies that want to invest and grow jobs here. That's why I suspect, you know, that there is something beyond this because government members, on one hand, say that, yeah, they like upgrading. They say that they like pipelines. But they act differently. It doesn't make sense.

As I said before, there are projects that were already approved, SAGD projects, which, if they actually go into construction and ramp up production, can add 1.8 million barrels more. And there are mining projects which are already approved – these were all cleared by the regulatory authorities – 740,000 barrels worth of projects. Mining expansion projects were also approved. So together it's 2 and a half million barrels of additional production which can come onboard in the next 10 years if they start building those projects now and if the government is making it easy for them to do that.

On one hand, we are saying that we support pipelines, and tomorrow there will be Keystone XL, there will be Trans Mountain, there will be Energy East, whenever it comes, and we won't have enough oil to ship by capping this production, so it doesn't make sense. If you want to really, you know, be forward looking, then at least, even if you don't withdraw Bill 25, you should have accepted these common-sense amendments with respect to removing the cap on upgrading or removing the cap on cogen production or at least partial upgrading.

None of them were accepted by the government side, so, Madam Chair, today Canada is, you know, having the resource of 180 billion barrels, and we're only producing 4 million barrels per day as opposed to Saudi Arabia or Venezuela, who are producing far, far higher than what we produce. If you look at the resources they hold and look at the resources we hold and what we are producing, it's not in the same ratio. Here we're trying to strand the resource in the ground. Out of the 4 million barrels we produce here, about 2.3 million comes from oil sands, and there are another 2.5 million barrels' worth of projects already approved, cleared by regulators, but the investors are not putting in that money ever since the NDP came into power and started bringing these policies which create so much uncertainty and instability.

They say, you know, that they consult the stakeholders. They haven't consulted the main stakeholder, which is CAPP. Madam Chair, CAPP, the Canadian Association of Petroleum Producers: their vision is to "enhance Canada's prosperity by enabling responsible growth of Canada's upstream oil and natural gas industry." On behalf of the Canadian upstream oil and natural gas industry CAPP is "to advocate for and enable economic competitiveness and safe, environmentally and socially responsible performance." That's their vision, that's their mission, and here we have the government, who doesn't want to talk to them.

9:20

I'm asking anyone in this House on the other side if they made any effort to talk to CAPP or any other stakeholder. If you asked and if they said that these are not reasonable amendments, tell me that. I'll shut up. The Premier must have heard what I was saying. I'm happy to see her in the House. Hopefully, now some common sense prevails here.

Madam Chair, I'll talk a little bit more about upgrading. We talked about upgrading. When the Premier was in the opposition, she said that the PC governments were shipping the jobs because they were not upgrading the bitumen here. They were shipping the jobs, they were shipping the prosperity south of the border, but now this Premier, under her leadership this government want to cap the production. It doesn't make sense. That's why we brought in that amendment to exempt upgrading from the overall cap of 100 megatonnes.

Then we talked about cogen. Madam Chair, I was involved, as I said before, in building four cogen projects at Suncor. Each one of them was 85 megawatts. I talked about the advantages of building cogen because it was a deal, like, 2 for 1. Cogen combines the production of heat to produce steam and electricity so we can use that steam to pump into the reservoir in the oil patch and make the reservoir viscous so we can pump out bitumen. The government said no.

We tried to explain that cogen emissions should be exempted in their entirety from the 100-megatonne cap, and we talked about why we should exclude it: because excluding all cogeneration emissions from the oils sands limit in Bill 25 supports the continued adoption of cogeneration at in situ facilities. Why at in situ facilities? Because in situ facilities need electricity, need steam. In situ facilities, unlike mining – mining is more labour intensive, truck and shovel operations – are more energy intensive. They need more steam. If this government cares about reducing emissions, we should exempt cogen because cogen is serving a dual purpose.

As I said before, only 16 per cent of heat generated at oil sands cogen facilities is being used. Only 16 per cent. So that means that by adding more cogen units on-site, we don't have to build transmission infrastructure. That saves us that cost, that helps those SAGD producers to reduce their costs, and that gets them the steam they need. Steam plays a huge role, Madam Chair, in the SAGD operations. The cost of SAGD operations, the economics of SAGD operations is based on the steam-oil ratio. The best operators have the best steam-oil ratio – with less steam they can produce more oil – which is fewer greenhouse gas emissions. I tried to explain that, and I failed to convince my colleagues on the other side.

So if we build those cogen projects, that would bring in a lot of economic opportunities. It's an opportunity for investment, and it's an opportunity to create jobs. But government voted down the common-sense amendment, Madam Chair.

When I worked in private industry, sometimes logic helped people make those decisions. Nobody is expert in every field or every subject, but at least when somebody has some logic and valuable input, you know, that helps people with differing opinions come to a common understanding and move forward in the interest of that particular business, in the interest of the company, or in the interest of the stakeholders. Here we are representing Albertans, who are all stakeholders, and our job is to understand the bills in front of us and look at the overall economic impact of them, whether it's good in the long term or not, and do the right thing for the people of Alberta.

But this government chose not to act in the interest of Albertans, in my opinion. That's what people in Calgary are telling me, people downtown are telling me, and I'm sure if any of the government

members from Calgary go and talk to downtown businesses, they'll tell them exactly the same thing that they're telling me. As I said before, there are so many SAGD projects that are already approved, but they won't go into the business of expansion because of these government policies.

Cogen projects have so many – so many – salient features that would have helped this government tell the voters they did the right thing by excluding cogen from the overall cap. This government doesn't want coal. They don't want petroleum coke emissions because they have nasty particulates like nitrogen oxide or sulphur dioxide. You know, with cogen you won't have those kinds of emissions, and with cogen the efficiencies are 30 per cent better than existing combined-cycle generation. We talked about that, too, Madam Chair. Cogen has the lowest levelized capital cost power generation of a fossil fuel.

Madam Chair, we talked about all this in the last couple of weeks, but, you know, it's become increasingly clear to Albertans just how detached the members of this government are from the realities on the ground in our energy sector. There has been a pattern here. In this House in the last seven days we discussed the Fair Elections Financing Act, and the Member for Calgary-Elbow and the Member for Calgary-Hays talked about how the NDP is trying to rig the system, tilt the scales. The Member for Calgary-Elbow and the Member for Calgary-Mountain View, actually, who most often side with the government, tried to reason with these government members that they can't do that. So there is a pattern here for the government. How they say things and how they do things are two totally different things.

Madam Chair, in democracy all we can do, being the Official Opposition or other opposition parties here, is to try and work with the government, to collaborate, and also to bring reason to the common-sense amendments. But just because government has a brutal majority, they just want to ignore common-sense, practical amendments from opposition. You know what? They can do that, but members from the third party said that when they tried to do that, people sent them to this side of the aisle. The Member for Calgary-Hays has said that a few times already: don't do that; otherwise, you'll end up sitting on this side of the aisle in two years. Now the option is yours.

Thank you.

[Mr. Sucha in the chair]

9:30

**The Acting Chair:** Are there any other members wishing to speak to Bill 25? The Member for Chestermere-Rocky View.

**Mrs. Aheer:** Thank you, Mr. Chair. I would like to please bring an amendment forward.

**The Acting Chair:** Just one minute for me to check the amendment. This will be referred to as amendment A8.

Please proceed, hon. member.

**Mrs. Aheer:** Thank you. This amendment is to move that Bill 25, the Oil Sands Emissions Limit Act, be amended as follows. Section 2 . . .

**The Acting Chair:** Sorry, hon. member. I just want to make sure that you're moving this on behalf of the hon. Member for Innisfail-Sylvan Lake.

**Mrs. Aheer:** Yes.

**The Acting Chair:** Okay. Please continue.



**Mrs. Aheer:** Thank you very much. On behalf of the Member for Innisfail-Sylvan Lake I'd like to move that Bill 25, Oil Sands Emissions Limit Act, be amended as follows. Section 2(2) is amended by adding the following after clause (a): "(a.1) biomass emissions as determined in accordance with the regulations;" also, section 3 is amended by adding the following after clause (d): "(d.1) prescribing a method for determining biomass emissions excluded under section 2(2)(a.1)."

What we're looking for here – we're going to again assume that, potentially, there may be some oversight on behalf of the government. I'd like to just read from here. This is from the Alberta government bioenergy producer program outline from the Alberta climate change office.

The Bioenergy Producer Program (BPP) is intended to support bioenergy production capacity in Alberta in order to:

- reduce greenhouse gas emissions from the use of fossil fuel alternatives
- create value-added opportunities with economic benefits

This short-term program is meant to support bioenergy production while a bioenergy industry review is conducted to inform long-term policy options that would support a sustainable sector in Alberta.

That seems like a mandate to have biomass brought forward.

The question that we're asking and trying to amend, again, is to make sure that this is amended so that for renewables, as the government keeps talking about, the emissions are exempted. It has to be an oversight because this innovation is on the cusp of being economical, and at the very, very, very, very least, I mean, you could go buy this and subsidize it, or if you exempt the emissions, well, then the businesses may feel compelled to actually go forward with this. I've got a few very, very good programs and, actually, projects that I'd like to share with the government here at some point just to reiterate the absolute imperativeness of exempting emissions from biomass.

Let's talk about renewables for a minute. We've mentioned before that the only way the government at this point in time is going to be able to reduce its footprint is by actually keeping products in the ground, and that is by putting a cap on emissions so that only a certain amount can be produced within a certain frame – that's obvious – but, again, that's only here. Any of the market that we don't produce here will be produced elsewhere with the aspect of carbon leakage, which means that what we're not producing here will get produced somewhere else less environmentally, less ethically, and to the detriment of our own people, our province, and our prosperity here.

I would just like to go over a few things. I know that the hon. Member for Calgary-Foothills has already said this, but let's go over a review of a few amendments that we've brought forward to help the government, some common-sense amendments to help this be a better bill. Let's start with what we just tried to amend, which was partial upgrading. To my great despair the members in this House who have spoken in favour of partial upgrading didn't understand that the amendment was to actually help partial upgrading come to fruition, to get out of the way so that companies can actually do these processes: partially upgrade, get the diluent out of the pipeline, increase capacity, get the dollars into this province, make sure that we're getting our full dollar value, and make sure that Alberta is prospering from this.

Then we can go backwards to fully upgraded prospects, for which we also asked that the cap be removed and that emissions be exempted. If you're capping upgrading at 10 megatonnes, that is keeping it out of the pipeline. So we've got one that is stopping us from doing it with less diluent, which actually costs us more. That makes no sense to me. Then we have another part of the bill that is

actually not allowing upgrading to occur here, which means that we are putting extra capacity into a pipeline full of value-added hot commodity stuff that is – we don't even have enough here, and we're going to have to pay to either get it back, or we don't get it back at all.

Back up a couple of days to cogen. This was explicit from stakeholder outreach. In situ is high intensity; it requires electricity and heat. Well, guess what? Cogen actually is able to do that. They produce on-site and are able to use the energy that is created in the system again and in the grid. How is that not a feasible thought process, and why would the government vote against that? I don't understand. If we just go to the whole reason that this bill came forward, the 100-megatonne cap, again it is the leave it in the ground and out of the pipeline movement. It makes absolutely no sense. We want to fill these pipelines to capacity with the best product that we can put in there and actually change the differential.

The Premier and the ministers themselves have in the past in this House in opposition talked at length about the amount of money we lose by not having value-added. When we're bringing forward amendments to actually contribute to that discussion, how is it that nobody in this House on the government side can see the value in what we're trying to bring forward? I mean, this is supposed to be collaboration, I thought. Well, our job is to actually come from a different perspective. This is based completely on stakeholder outreach.

If we're talking about reducing GHGs, we all know that the carbon tax is not going to do that. If we're actually talking about reducing GHGs, if you actually care about the environment, we should be producing here as much as possible, where we have the best regulations, where we have the best environmental records.

On top of that, given the right economic environment there is so much incredible innovation. We talk about economic diversification. The amount of available innovation and diversification is just – there's too much to talk about just standing up once here. You know, I've only had 19 months at this, and I couldn't even recap for you the amount of incredible – incredible – innovation that is in this province. I mean, some of the things that are happening in this field are just literally, like, miraculous. If we're looking at it from that point of view – and these are simple requests – we're encouraging industry to do that which the government is saying and to do better, not just keep it in the ground and out of the pipeline but actually produce better.

**9:40**

Again, let's talk about the whole aspect of biomass for a moment. Well, we have an entire boreal forest, a monster, monster amount of land, hectares and hectares and hectares of incredible trees. Now, trees die, and they rot, and we have a tremendous amount of methane coming from that, which is extremely, extremely detrimental to the environment, 25 per cent more. What biomass does on one level – and guess what happens to be in the boreal forest? That's where the oil sands are. If we allow and, especially, if we're able to exempt emissions from biomass, they're able to burn a product, a renewable resource, and create the heat and electricity that are needed for this high-intensity process of bringing these resources out of the ground.

If you think about it, it's on-site, and there is a CO<sub>2</sub> equivalent. This is a neutrality thing. The carbon cycle is a self-contained circle, so you're using something that is readily available to create heat and electricity. Not only that, but just imagine: from a forestry perspective, there are opportunities for forestry also, in terms of warehousing or anything like that, to use sawdust, wood pellets. It's basically the garbage that can be used to produce heat and electricity in order to bring our resources out of the ground. I mean,

it's a fantastic idea. If the government opens the door and allows industry to be able to do this, especially if you exempt emissions, this gives a tremendous opportunity not only for the oil sands but also for forestry as well. I mean, this seems, I think, very common sense. Again, this comes from stakeholders. These are the technical experts in this field.

If you want to balance the environment and the economics, these are really, really sensible exemptions, right? If we are looking at the overall benefit, this is a renewable resource. I mean, this is what the government keeps talking about. Why would you not exempt it? It's a renewable resource. It's part of the climate leadership action plan, so it doesn't make any sense that biomass would not have this exemption on it. It falls under the auspices of exactly what the government has been asking for. On top of that, we're not quite there economically, but given this window, given the opportunity there are so many projects.

Like, there is this one project. It's called the algae project, and I'll table this. This is the neatest project. Just to give you an example of another version outside of forestry, what they can do is to take the CO<sub>2</sub>, the waste heat, and the waste water and put it in a photobioreactor with the algae in it. Basically, what happens is that they release oxygen into the air. Now, this is a ways off, but here is diversification, and this is innovation. This could be a possibility if a company was given the ability to function without having to worry about the emissions aspect of biomass, which actually is a renewable process.

This is just one idea. This is neatest thing ever. They harvest the algae, and the possibilities are that you can produce bio jet fuel, biodiesel, which could be put back into the oil sands for extraction. I mean, this could be usable fuel. Other products are nutraceuticals, livestock feed, fertilizer. I mean, that's fantastic, isn't it? Imagine. This isn't because of subsidies. These are opportunities. These are companies that are willing to put their own skin in the game to get these things brought online so that they're able to contribute viably to the industry and to the sector in a way that is being asked for but without subsidizing it. That is amazing.

I'd also like to quote from Canada's forest products industry. This is the Forest Products Association of Canada. One of the highlights in the key recommendations for government from this was to "continue to support carbon neutrality of biomass at the facility, since carbon is accounted from a full lifecycle because Canada's forests are sustainable." So here we are. We have the availability of a free resource, a local waste product like sawdust, Weyerhaeuser's wood pellets, wood chips. What is the word for that? There's an actual – it's called hog feed?

**Mr. MacIntyre:** Hog fuel.

**Mrs. Aheer:** Thank you. Hog fuel. That's what it's called. Thank you.

Here we are with these by-products, and we can burn them, create the heat and electricity necessary for resource extraction from a free resource, and it's a resource that's actually creating problems for us in our atmosphere. Methane is bad. You know, this is huge, that we could get these products right out of the forest, right where the oil sands are. It's not an issue of transportation. We're right there. Yet the government seeks to cap this availability, seeks to stop this door opening to this process by not exempting the emissions from biomass. It's completely counterintuitive. If you have the choice between the technology and staying under the cap, can we ask a common-sense question of where you'd like to be? Quite frankly, I think the payout on the other side will come in strides, and that's just one product.

If the government had listened to us on partial upgrading and upgrading and cogen and then, aside from that, that 100-megatonne cap on emissions – everything that we don't produce here is going to get produced somewhere else. This government takes responsibility for that. Yeah, it's not in our backyard. Congratulations. But it's in somebody else's. We still pay the price for that. Where are the talks with the other countries and other jurisdictions that are supposed to be in lockstep with Canada, right?

How are we supposed to – I mean, there are so many opportunities here. There are other companies that are able to actually upgrade underground. They're able to take the coking materials and use them underground to create heat and partially upgrade underground. This is something that has actually got government federal and provincial dollars in it and has yet to see the light of day. Is it because the government just doesn't know or it's not reading its own bill or the amendments, for that matter? I mean, we keep bringing lots of ideas. We are tasked with critiquing and finding solutions. I am offering a whole bunch of solutions here. A whole bunch of solutions.

There is a mass boreal forest here, a free resource that companies are actually showing interest in. Literally the only thing the government needs to do, at least at the beginning here, is to open the door and give these folks the opportunity to do the right thing, which they want to do. But the government is actually impeding the process. It makes absolutely no sense. I mean, it's got to be an oversight. It has to be. Like, help me out here. We should be encouraging oil sands operations to integrate biomass into their heat and electricity generation. If we have cogen and that, this is tremendous. We're utilizing the heat and energy that is coming from the oil sands.

**9:50**

The one thing that this government keeps saying is that we are Mordor, that we are dirty oil producers. There is a panel with anti-oil activists on it that is supposedly going to at some point bring us some sort of recommendations. Here are some opportunities to do exactly what the government is asking, but we can't seem to get a single amendment put forward. Why? The nonsense that we get back about why these aren't going through is coming from people who aren't reading the bills and aren't reading the amendments and are saying that we're the ones that are impeding the process. I'm sorry to remind you that we are not the government. We're not impeding anything.

**The Acting Chair:** Thank you, hon. member. I just want to confirm that the documents you referred to will be tabled in the Routine tomorrow.

**Mrs. Aheer:** I will happily table them. Thank you.

**The Acting Chair:** Thank you very much.

The hon. Member for Innisfail-Sylvan Lake.

**Mr. MacIntyre:** Thank you, Mr. Chair. Well, I want to rise and speak in support of this amendment to include biomass as an exempted emission.

This government has at least said that they want to do something to reduce greenhouse gas emissions. But, you know, actions do speak louder than words. We have a carbon tax, and the government has done nothing whatsoever to mitigate carbon leakage. We haven't heard anything from the government side at all as to how they're going to address the very real risk of carbon leakage. It will happen. Of course, if you look at the reasons why we have Australia and France and other jurisdictions looking at ditching their carbon taxes, it all comes down to carbon leakage. They have come to the

correct conclusion, that carbon taxation does nothing to reduce global greenhouse gas emissions. But this government seems to think that they have some answers to reduce greenhouse gas emissions.

Then, when we come to Bill 25 and we bring in some amendments to address upgrading and partial upgrading, both of which, by the way, have significant impact on emissions, the government votes that down. Now we have before us an amendment excluding biomass, and I want to just read in a couple of things regarding biomass and how biomass could be helping.

The truth of the matter is that it doesn't make any sense at all to include any kind of renewable emissions underneath the cap because the very nature of renewables' emissions is that they benefit us in that they are a reduced form of emissions over conventional methods. For example, residual waste streams – we're talking about organic waste streams – have very high transportation costs and are expensive to dispose of. After landfilling those, which is predominantly what's been going on, we do have some problems that occur such as leaching through the surrounding soil and, of course, the release of methane.

As has been noted in this House many, many times – I know this is known by anyone on the other side that has been paying attention – methane has approximately 25 times the impact that carbon dioxide does as a greenhouse gas. So any time we can do anything to mitigate methane, we should. This government has already talked about a methane reduction strategy. Well, biomass has the capacity to actually address methane in a big way. It is very well known that if you do not deal with the waste stream, if you simply take it to the landfill, the anaerobic processes that then come into play produce massive amounts of methane. That's just a reality. So it is very important to divert as much organic waste as you possibly can out of the landfill scenario. There are some really innovative companies right here in Alberta that have been dealing with this very issue for a number of years, and I'll get to some of them.

But I wanted to talk a little bit about some research that was done at the University of Calgary, where they were investigating how biomass such as straw and wood left over from agricultural and forestry operations could be used to clean up chemical contaminants in water from oil sands operations. This was quite an interesting research project because here we were taking agriculture and forestry residue and using that residue to actually positively enhance oil sands operations. It was like we were bringing our number one, our number two, and our number three industries in this province all together to solve a major problem; namely, toxic water. That's called synergy, when you can bring things together like that.

Now, it is a fact that when you bring all of these residuals together to help the oil and gas sector solve some of its environmental problems, there are all kinds of wonderful consequences to that. I'll just cover a few of them. For example, our current oil sands mining industry uses somewhere in the order of 100 million to 125 million cubic metres of water annually, and that ends up in tailings ponds. Now, the organic compounds in that processed water are dominated by a particular acid called naphthenic acid. This is both toxic and corrosive. But here microbes in the ponds take this naphthenic acid, and they convert that to methane gas. The microbes use it as a food, and then they convert it to methane gas. That is then emitted into the atmosphere, and as I just mentioned a minute ago, that methane gas has 25 times more potential in our atmosphere than carbon dioxide does.

But there's an interesting thing about biocarbon, also known as biochar. It is a fixed form of carbon. Microbes love some sort of fixed carbon, and here's what happens. When you use an activated biocarbon tailored for absorbing naphthenic acid in tailings pond

water, it actually prevents the formation and release of methane greenhouse gases. Very interesting, how activated biocarbon and these microbes react with one another and naphthenic acid. Then the spent biocarbon can be used either as a source of renewable energy to displace fossil fuels, or it can safely be landfilled as permanent carbon storage. In other words, you have fixed some carbon now, after it's done its job of absorbing the naphthenic acid, preventing the microbes from converting it to methane gas. Then, in addition, you can landfill the spent biocarbon.

Now, I was reading research sometime ago regarding the use of biochar as a soil enhancer. It has amazing properties if it's put into the soil. It improves crop production substantially, in the double digits. They've done tests in both Japan and Australia on biochar. It's an amazing product. Again, it's a fixed carbon. So here we are reducing greenhouse gas emissions in a couple of ways. It would give us a very low-cost greenhouse gas advantage from using a bioproduct, and it reduces the oil sands industry's environmental footprint.

As you can see, Mr. Chair, the reason why we're putting forward this kind of amendment to exempt biomass from the cap is because of the enormous potential that it presents in reducing greenhouse gas emissions. Why would we ever want to cap biomass? It has the enormous capability of dealing with methane, 25 times more potent than CO<sub>2</sub>, so it only makes sense to exempt something that has that powerful a potential for reducing the environmental footprint in the oil sands.

**10:00**

Given this finding, it seems to me that we need to be encouraging more and more biomass, especially more research and development in it. But when you have a cap on something, you're going to stifle innovation in that area. You're going to stifle investment in that area. Now, research and development are astronomically expensive. It takes years and years and years, especially on the scale of things like developing biochar, and hundreds of thousands of dollars. They need to know that there is going to be a market for what they do. Putting a cap on it totally takes away that incentive.

Now, I want to talk a little bit further about the benefits of biochar. I'm going to call it biochar. That's how I know it. That's how we talked about it at NAIT. I'm going to brag a little bit of a couple of students from NAIT. Two gentlemen, who graduated, I believe, from the very first group of students that went through NAIT's alternative energy program, by the names of Chris Olson and Bruce Saunders started a company to make biochar. They had been through the two-year program at NAIT, and they came out of there pumped. They were just so eager to start this little company, so they researched and researched and spent a gazillion dollars on building prototypes to create biochar, basically a system of controlled pyrolysis. In other words, it is a slow heating process with a very measured amount of oxygen being allowed in the process. You control everything, and the fuels that come off the organic matter actually are then used to heat the whole system. It's sort of creating its own gases and burning those gases. The whole system is so controlled, though, that the amount of emissions coming off this thing is very, very low.

They started a company called IRSI, and I'm very happy to report that they're working on a unit right now. They actually have this at the stage of commercialization, and they have put everything on the line. I'm so proud of those guys and the company that they have built. The unit itself is a great big beast, and it's called Ulysses. They have actually got a process from this innovation, an efficient and sustainable method for managing residual waste in an economical and environmentally friendly manner through that system.

Now, I just want to talk to you a little bit about the real numbers because they have had a unit running. Here are some real numbers for running something like this unit that makes biochar, called Ulysses. Just operating Ulysses for 300 days out of the year, 10 hours a day, five tonnes per hour – get this, Mr. Chair – landfill diversion in tonnes per year is 14,440; biochar carbon sequestration is 12,500 tonnes per year; the number of trees, carbon sequestered, grown for 10 years is 690,000. It's just amazing. As I said, that is just running 10 hours a day, five tonnes an hour, 300 days out of the year.

This system was invented, researched, developed, and commercialized right here in the province of Alberta by two graduates from NAIT. I am so proud of those guys. It's just amazing, the innovation that we have here. They are doing something that's genuinely impacting greenhouse gas emissions. I would like to see Ulysses units all over this province. Wherever there are residual wastes, we could be using this. We could be creating biochar. We could be treating our tailings ponds, reducing more greenhouse gas emissions in the form of eliminating methane production by the microbes in the ponds. On and on and on the benefits go. Yet this government comes along and caps emissions, directly impacting the ability of this particular development right here, this technology right here, invented, built right here, commercialized right in Alberta.

This is why this amendment is before the House, to take the limit off innovation. Do not limit innovation that reduces greenhouse gas emissions. If this government over here and if you members in the backbenches really care about greenhouse emissions, don't cap them. Don't cap innovation that directly impacts greenhouse gas emissions, especially greenhouse gas emissions related to methane because you're talking about 25 times the impact. It makes no sense whatsoever. I would hope that this government would see the kind of benefits that we're talking about. We're talking about a pyrolysis system that takes waste and turns it into a fixed carbon that is extremely useful in a lot of ways.

Now, just to brag of the guys a little bit more, because I'm just so proud of these guys – I mean, I've been involved in some research and development when I was a younger guy. I tell you, it's expensive, it can break you financially, and everybody around you is saying, you know, "You're not going to make it; this isn't looking real good," especially when you have some failures, and there they are, piling up. But these guys hung in there, and they kept going. Now they're at the point where they've got this process perfected. It's an amazing unit. I've seen it. It was built right here in Edmonton, down on the south side.

These units are somewhat portable. They can take and site them anywhere in the province, wherever there is waste. Now, I should point out that one of the Achilles heels of biomass is the cost of transporting the feedstock from wherever the feedstock is generated to wherever the unit is that's going to burn it. The transportation costs are really the one thing that has been problematic for biomass, specifically in the United States because that's where a lot of the original work was done. But here in our province we have such a massive boreal forest. We have such a huge forestry industry. We also have a huge agricultural industry. We have some significant feedstock, and that feedstock is available all over this province. It's not like, you know, places in the United States where they may have to truck it or places in Europe where they have to truck in biomass. It's not the case here.

We have just scads of this stuff all over, and we need to be making use of it. We need to be diverting all of it from decomposition because it is in the decomposition that we now are going to have methane gases released. Putting it into a unit like

Ulysses deals with that issue completely and creates a very valuable value-added product.

**10:10**

This government wants diversification. Well, here's a good bit of diversification right here, creating biochar plus the jobs that are created. Now, we have some statistics, even. There were some studies that were done on biomass, and as it turns out, using biomass to generate electricity is fairly labour intensive. Lots of jobs are created from it. It always has the potential for a significant reduction in greenhouse gas emissions. In addition, though, it is a job creator because it's so labour intensive. Because we have the ability in this province to fabricate absolutely anything you can think of, those units can be built right here, putting jobs in manufacturing right here. Further research and development into advancing that technology right here in Alberta: this could be a huge diversification type of industry. Manufacturing those units here in this province . . . [Mr. MacIntyre's speaking time expired]

**The Acting Chair:** Any other hon. members wishing to speak to amendment A8? The hon. Member for Battle River-Wainwright.

**Mr. Taylor:** Thank you, Mr. Chair. I was going to, I guess, read in part, anyways, this article here from Alberta Innovates. This is an important article. It's Biomass Innovation: Canada's Leading Cleantech Opportunity for Greenhouse Gas Reduction and Economic Prosperity. This is the executive summary. I could say that there are a lot of points here that really should be spelled out. It's important. It says:

Canada has a tremendous opportunity to build upon its inherent strengths and take a cleantech leadership position in the production of bioenergy and bioproducts produced from sustainable biomass.

It goes on to say:

This document, which identifies why biomass should be the cornerstone of Canada's greenhouse gas . . . reduction and economic growth policies, is intended to initiate a dialogue between policy makers . . .

That would be us.

. . . large [greenhouse gas] emitting sectors, and biomass feedstock and technology suppliers that will result in deployment of Canada's biomass resources to reduce [greenhouse gas] emissions. Reasons for pursuing biomass cleantech innovations . . .

These things are included, and this is what's important.

- Biomass can reduce [greenhouse gas] emissions from Canada's largest and fastest growing sources. Canada's unique [greenhouse gas] profile, dictated by a large landmass, northern climate, resource-based economy, and the 3rd lowest electricity [greenhouse gas] intensity in the G20, means deployment of electricity-based renewables, such as wind and solar, will not address the largest and fastest growing sources of emissions including oil and gas extraction and processing . . .

It will not address the largest and fastest growing sources.

. . . heavy duty transportation, and process/space heat. Deployment of biomass can.

So biomass can look after that.

- Biomass can be economically utilized in Canada's existing carbon-based infrastructure.

So it's something that can be worked into what we're doing.

Biomass is the only source of renewable carbon that can be used within the existing fossil-fuel infrastructure, including coal-fired power plants, oil sands operations, transportation fuel distribution systems, the vehicle fleet, natural gas pipelines, heavy industry (steel, cement, fertilizer) facilities, and residential and commercial building heating systems.

It can be included in all of those. It goes on to say:

This avoids stranding valuable assets and can enable market access for Canada's other natural resource products including oil, gas, chemicals . . . and minerals.

Mr. Chair:

- Biomass creates far more jobs than other renewables and builds upon human resource strengths.

Projects that utilize biomass can create 10 times . . .

That's 10 times.

. . . more operating jobs than wind and solar on an energy output basis.

That's important because, I mean, we're heading towards these things. This is a renewable, and this can mean 10 times more operating jobs.

In addition, production of bioenergy and biofuels economically complements the production of higher-value products such as food, lumber, pulp, biochemicals, and bioproducts that produce significantly more jobs than energy on a feedstock input basis.

And if we can create more jobs, especially since what Alberta needs right now is more jobs, this is very important.

Many of the skills developed by workers in the oil and gas, chemicals, pulp and paper, utility, and food processing sectors are in demand by bioenergy, biofuel, and biomechanical producers.

It goes on further to say:

- Biomass provides significant economic development opportunities for Indigenous peoples.

So it's not just one sector; this is more inclusive.

Indigenous peoples can play a major role in the development and management of bioenergy and bioproduct projects as providers of traditional knowledge of ecosystems, suppliers of biomass, operators of facilities, exporters of bioproducts, and consumers of bioenergy – particularly in remote and isolated communities.

That speaks volumes for what it can do to help indigenous peoples and create jobs.

- Biomass [also] provides immense cleantech innovation and technology development opportunities. [Development] of commercial biomass conversion technologies can create sustainable livelihoods today and form the basis for a biotechnology and cleantech innovation-based bioeconomy, replete with high-quality bioproducts research, technology development, and commercialization jobs. Management of Canada's extensive biomass resources also offers vast potential for linking high tech industry development with resource management via big data, GIS, drones, and remotely-operated/autonomous machinery and vehicles. These cleantech, high tech, and biotech innovations can become high-value exports for Canada.

So we can look at other exports because we have such a large mass. This is something that we would be missing out on. It's important for us to be able to take and use that and realize what we can make from that.

It also goes on to say:

- Canada has more biomass per capita than any other country on Earth.

Any other country on Earth. We've got it here per capita.

No other country has the combined forestry, agriculture, and urban biomass resources of Canada and others recognize the climate mitigation value of Canada's biomass resources by importing large volumes for use in heating, electricity generation, and transportation . . . ('wastes') alone could provide 20% of Canada's yearly energy supply.

That's just waste alone that can supply that much. Frankly, that's huge.

So, you know, biomass is a very important, I think, part of the overall plan for us to have sustainable energy in our province.

Canada has an opportunity to become the world leader in the use and development of clean and sustainable technologies and processes that utilize biomass . . .

What is biomass? Biomass is the only renewable source of carbon. It can be converted into transportation fuels, heat, electricity, chemicals, and materials.

**10:20**

It has that many different components to it. It can be used for everything, almost.

The most abundant forms of biomass . . .

as you can figure with our country,

. . . are wood, agricultural residues ([such as] straw and manure), and organic municipal waste. Canada has more biomass . . . than any other country on Earth.

So it's something that we need to make sure we're looking at. We don't want to lose that. "We don't want to limit innovation" is what the member next to me just said, so it's super important.

Meeting Canada's Greenhouse Gas and Economic Development Goals

Canada is facing significant economic and environmental headwinds, [particularly] due to the country's reliance on currently low-priced resource commodities and the greenhouse gas . . . emissions associated with recovery, extraction, processing, and utilization of those resources. Fortunately, Canada has an opportunity to become the world leader in the use and development of clean and sustainable technologies and processes that utilize biomass to reduce GHG emissions while improving the performance of the Canadian economy.

What could be wrong with that? We can improve our economy and utilize what we have.

The document goes on to describe

how biomass – forest, agriculture, and municipal waste resources – can be effectively used to meet [greenhouse gas] reduction targets and why it should be a central part of Canada's climate change mitigation plan. Canada . . .

and, I would argue, Alberta as well, specifically,

. . . has an unparalleled opportunity to utilize biomass to meet its climate leadership goals . . .

That's what you're after. You're trying to meet your climate leadership goals.

. . . while creating a large number of jobs . . .

something that this province desperately needs,

. . . and enabling market access for the country's other natural resources including oil, gas, chemicals, metals, and minerals.

It goes on to say:

Biomass is the bridge that links traditional resource and heavy industry sectors with cleantech and biotechnology. Not only are many of the skills developed by workers in the oil and gas, chemicals, pulp and paper, utility, and food processing sectors in demand by bioenergy, biofuel, and biochemical producers, but development of new technologies and processes that convert biomass into high-value bioproducts for domestic and foreign markets requires highly-qualified biotechnology and engineering personnel.

You need to get those personnel in there. We already have them. We already have so many people that are experts in the field of engineering for these.

In addition, Indigenous peoples can play a major role in the development and management of bioenergy and [bioprojects] as holders of traditional knowledge of ecosystems, suppliers of biomass, operators of facilities, exporters of bioproducts, and consumers of bioenergy.

Again, we want to make sure that there are jobs – there are so many jobs that are out there – and that they're available.

This goes on to say:

Many of the technologies that would allow [new] biomass to be utilized to reduce [greenhouse gas] emissions are commercially available and already deployed in Canadian or foreign jurisdictions. In many cases, existing infrastructure [would include] coal-fired plants, transportation fuel distribution systems, oil refineries and bitumen upgraders, cement and steel plants, natural gas pipelines, and building and heating systems.

All those are included, are already existing infrastructure that could be utilized. They can accommodate biomass products, thus avoiding stranding assets. We have the assets. We've already paid for them. They already exist. We stop and we avoid stranding those assets while attaining significant GHG reductions. [interjections]

**Mr. Panda:** There are some distractions.

**Mr. Taylor:** There are some distractions over there, yeah.

**The Acting Chair:** Hon. members, the hon. Member for Battle River-Wainwright has the floor.

**Mr. Taylor:** This is not typically the case with other renewables, avoiding stranding the assets – not typically the case with other renewables – however, development of a sustainable economy based on biomass, a bio-economy, does not need to be limited to existing technologies. It does not need to be limited to existing technologies. Deployment of commercial technologies to reduce GHG emissions and create operations and resource management jobs today could be leveraged to form the basis for a biotechnology, clean-tech, innovation-based economy replete with high-quality research, technology development, and commercialization jobs tomorrow. The paper, if you were to read all of it: it goes on, and it demonstrates that no other clean technology option can effectively address Canada's unique GHG profile while building upon the country's strength in resources, both human and physical.

Many other countries yearn – they would love to have what we have. They yearn to have the biomass resources of Canada while Canadian biomass is already exported in large volumes – for example, 1.6 million tonnes of wood pellets every year – to help other countries meet their GHG targets. Their domestic potential has been largely ignored. In order for Canada to be a leader in climate change mitigation, the country's economic structure necessitates that biomass form the cornerstone of plans that reduce GHG emissions while reshaping the Canadian economy for the better.

Mr. Chair, it's important that we recognize that Canada can be a leader in this, and we have the opportunity now to be able, with the bills that are being passed, to become that leader. That's why I'm supporting this amendment here, that the biomass emissions, as it says here, be excluded under the section from there. If we exclude it, we're only helping our province create new jobs and create a better place for Albertans.

Thank you, Mr. Chair.

**The Acting Chair:** Thank you, hon. member. Similar to the Member for Chestermere-Rocky View, just ensure that you're tabling that.

As much as I'm enjoying throwback Thursday coming early, please ensure that the side conversations' volume is being kept down to a minimum as well.

The hon. Member for Calgary-East.

**Ms Luff:** Thank you, Mr. Chair. I think it's just important to start off by noting that biomass emissions for electricity, agriculture, or

otherwise, outside of the use in the oil sands, are obviously not capped in any way. We would absolutely encourage the development of biomass, and we think that Alberta and Canada absolutely can be a leader in this area. However, in terms of biomass use in the oil sands, our government is very excited to see the ingenuity of a tremendous private sector, and as new technology is developed, we will absolutely, gladly explore any functional innovations that can take carbon out of the barrel. There's room within this bill to have these conversations about new technologies and experimental ideas as they come online.

**10:30**

I'll just point out again that this annual emissions limit was jointly recommended to government by leaders in industry and the environment. It's a limit that provides room for growth and development of oil sands resources that will be higher than any time in our past or present. The exemptions that we have included allow for expansion in cogeneration and upgrading, which are areas that industry has identified as being key areas that we need room for expansion in here in Alberta. In fact, the CEO of the Canada's Oil Sands Innovation Alliance praised our cap and said, "With the technology being developed in Alberta we are confident Alberta can continue to grow its industry while reducing emissions."

We can obviously have conversations with stakeholders who are exploring biomass use in the oil sands going forward, and we're absolutely looking forward to doing so. However, it's an unnecessary exemption at this time, and I will not be supporting this amendment.

Thank you, Mr. Chair.

**The Acting Chair:** The hon. Member for Calgary-Foothills.

**Mr. Panda:** Thank you, Mr. Chair. I see some interesting movements here in the House, and the top government officials have chosen their seats for 2019, it looks like. Congratulations. I can't wait to see you, and I will be speaking from that side soon. They already got the message that Albertans have noted that this government is not listening to common-sense solutions offered by the Official Opposition, so they're already rehearsing their future roles in opposition. Good to see that.

Mr. Chair, some of my colleagues talked about the resource, where we can find it, and the abundance of it. I also talked about the resource we own here in Alberta, how fortunate we are to have that resource, unlike Saudi and Venezuela. For conventional oil you have to actually explore to find it. In Alberta we don't have to do that. We already know where it exists. It's about: how can we extract that resource, both economically and environmentally, in a responsible way? That's all we are talking about. We already know where it is.

Now this government wants to strand that resource. This Bill 25 is about capping that development and capping that production. Even if the cap is at 100 megatonnes for the time being, till the Premier, Deputy Premier, House leader move to this side and until we move to that side, assuming that they cap it at 100 megatonnes, still those operating plants in the oil sands need heat, energy. They need heat for all the operating processes in the hydrocarbon operations up north, and one way to reduce those emissions is to use biomass.

It's interesting that my colleague and the previous speaker quoted a document, Biomass Innovation, by Alberta Innovates: Bio Solutions, and it's also prepared together with the Climate Change and Emissions Management Corporation. They coauthored this document. My colleague from Battle River-Wainwright quoted this document extensively, and I got curious, so now I'm just looking at

that. There are portions that I am reading out of that, and it is defining what is actually biomass, Mr. Chair.

Biomass is the only renewable source of carbon. It can be converted into transportation fuels, heat, electricity, chemicals, and materials. The most abundant forms of biomass are wood, agricultural residues (e.g., straw and manure), and organic municipal waste. Canada has more biomass per capita than any other country on the Earth.

So it's all about harvesting the resource we have in front of us, that we are blessed to have, that no other country has, which is the envy of many nations in the world.

I talked to you about the energy poverty and energy hunger I personally experienced when I lived and worked overseas. In this country we have all sorts of resources. Like my colleague from Innisfail-Sylvan Lake said, we are rich in these renewable and nonrenewable resources. When I talk about the nonrenewables, oil sands are the major resource we own. When we talk about renewables, we're talking about intermittent sources like wind and solar, which are renewables, but they need backup. So to substitute alternative energy-efficient resources in oil sands operations, biomass could be a good alternative.

The Member for Calgary-East said: oh, we like biomass; we'd like to develop that, but we want to cap it. Look at the inconsistencies there, again and again and again: "We like this, but we want to cap it. We want to create jobs . . .

**An Hon. Member:** But we'll stifle.

**Mr. Panda:** Yeah.

"... but we'll stifle. We want pipelines, but we want to cap production, so we don't need to move the product to the pipeline." It's totally inconsistent, Mr. Chair. Like I said, you know, this government doesn't want to harvest oil sands resources we own to the full potential and for the full benefit of Albertans not only of this generation, of future generations, just because of ideological reasons. Again, we are blessed with these forest products.

When I was young, Mr. Chair, I saw people using wood waste products to cook food and to heat up their homes – I saw that – during the winter. They didn't have electricity, and they couldn't afford diesel generators to heat their homes or to power their homes. They were using forest waste products or municipal waste products. So it's a good opportunity here to allow oil sands to use biomass for their heating requirements. They need the heat for all the chemical operation processes to crack – first of all, in the SAGD process they need heat to heat the reservoir so they can pump out the bitumen.

I don't know why we want to not exempt biomass from this cap of 100 megatonnes. It's, again, a reasonable amendment. You want to harvest the natural resources you have, which are renewable. Okay. Other alternatives in these operations use natural gas. They burn it to make steam. But when I travelled in northern Alberta, I saw places like Al-Pac and all, who said that they have this capacity to produce 100 megatonnes of electricity with the feedstock of biomass, which we have in Alberta. Others don't have the same kinds of forest products we have.

**10:40**

We want to use that effectively, but I don't see why these government members are selectively saying that they like renewables but that they don't want oil sands operations to deploy those renewables to help reduce their emissions. I don't get that. We should actually be encouraging oil sands operations to integrate biomass into their heat and electricity generation because if we keep using natural gas in the oil sands, whether to recover bitumen or in the process of upgrading bitumen to synthetic crude oil, we'll be producing more greenhouse gas emissions. We should, rather,

exempt biomass from the emissions cap so we can incent the usage of greener resources by the oil sands operators.

**An Hon. Member:** A hundred per cent renewable.

**Mr. Panda:** Yeah. A hundred per cent renewable.

It's a slam dunk. It's low-hanging fruit. What's missing here is common sense. Why do you reject that? I don't get it. Yeah. It seems that common sense is short here, a scarce resource.

**An Hon. Member:** Common sense isn't so common.

**Mr. Panda:** Right.

Mr. Chair, biomass also provides a baseload of deployable power. The fact that wind and solar are just intermittent renewables – we have an opportunity here to provide constant, invariable electricity, which can be used for resource extraction or processing operations. It could be used for both purposes. If you see any of these operating plants up north, you'll see that there is a lot of equipment, whether it is heat exchangers, columns, reactors, or pressure vessels. They all need heat. Here is an opportunity to use biomass, which is a hundred per cent renewable, to help reduce their costs and also to have a renewable baseload power and to reduce their greenhouse gas emissions. And it's not the Wildrose who is saying that. This is Alberta Innovates: Bio Solutions, overseen by the minister of economic development. They are telling you. At least you should listen to them.

My colleague the previous speaker talked about some of the other features of this biomass. He talked about how biomass can reduce greenhouse gas emissions from Canada's largest and fastest growing sources. He talked about how biomass can be economically utilized in Canada, suggesting carbon-based infrastructure. He talked about how biomass can create far more jobs than other renewables and build upon human resource trends.

Now, speaking about creating jobs, Mr. Chair, you and I represent ridings in Calgary, and our city has lost so many jobs. Creating jobs should be the top priority of this government, and Alberta Innovates is suggesting that utilizing biomass as a resource here can create far more jobs. This creates jobs, and it provides significant economic development opportunities for indigenous people. This is interesting. Now, the indigenous minister is not here, but this government, which is supposed to be the champion of indigenous people – Alberta Innovates is telling us that this biomass can provide significant economic opportunities for indigenous people. If you care about indigenous people, then exempt biomass from the oil sands emissions cap of 100 megatonnes.

Biomass also provides immense clean-tech innovation and technology development opportunities. We heard so many times in this House, Mr. Chair, about clean tech, about innovation and all that. Here is an easy solution. All we have to do is act on that. This government seems to not be willing to act on that.

This document also went on to say: "Canada has more biomass per capita than any other country on Earth." Why can't we use it? No other country has as much biomass as Canada and Alberta, but we refuse to harvest that. Why?

Our children are going to ask us those questions, Mr. Chair. Your children, my children, my grandchildren are going to ask us: you had an opportunity to deploy more biomass in the oil sands operations to reduce greenhouse gas emissions; why did you not act? When they ask, what's going to be the answer? Can the Member for Calgary-East speak about that? Or can the Member for Edmonton-McClung get up and talk about this and explain it to us?

This document also quotes:

Biomass that is degraded . . . (in the absence of oxygen), such as decomposition in a landfill, releases methane . . . a GHG 25 times more impactful than [carbon dioxide]. By using biomass as a fuel, these methane emissions can be avoided and fossil fuel consumption reduced. This is one way that bioenergy and biofuel use can reduce GHG emissions by greater than 100% from a fossil fuel baseline. The other is by combining bioenergy with carbon capture and storage . . . or utilization.

Probably, Mr. Chair, that's what the Member for Innisfail-Sylvan Lake was talking about, how we can handle methane by using biomass.

Like I said before, Mr. Chair, intermittent renewables such as wind and solar cannot address baseload electricity GHG intensity challenges, as per this document.

Mr. Chair, we talked about cogen operations in SAGD facilities. I keep parroting that back every time because I feel very strongly about that. I was really disappointed that this government has rejected the amendment to exempt cogen operations in the oil sands from the cap of 100 megatonnes. It's very disappointing. So now we are saying: "Okay. You might have rejected that because it's a nonrenewable source. Here we have a renewable source, which is biomass. We don't understand why you don't exempt that." [interjection] I think the Member for Calgary-North West should be the next speaker to explain as to why. It seems there is some reason. I want to understand.

10:50

Mr. Chair, this document also highlights how biomass can be a great job creator. "Biomass creates by far the most long-term, operating jobs of any renewable energy: up to 5.5 per MW vs. 0.2-0.7 per MW for PV solar and on-shore wind."

I'll table this document tomorrow, Mr. Chair. There is lots of good information. This is not a Wildrose document. This is not from my shadow budget or anything. This is the document prepared by Alberta Innovates: Bio Solutions, coauthored by the Climate Change and Emissions Management Corporation.

With all the good things and good intentions this government seems to have in theory, in practice they're very inconsistent, and they don't allow any of those innovations or any of those technologies they talk about. It's only for talk, not for adopting. They don't want to act on them. It doesn't make sense. Also, biomass that is degraded . . . [Mr. Panda's speaking time expired] Oops. Sorry.

**The Acting Chair:** Sorry to cut you off.

Are there any other members? The Member for Chestermere-Rocky View.

**Mrs. Aheer:** Thank you, Mr. Chair. I promise to be brief. I just wanted to applaud the members for Calgary-East and, actually, Edmonton-McClung for speaking on behalf of biomass and others. The only issue that I foresee here is that as much as the members are speaking on behalf of it, they're forgetting that without the exemptions that we're adding into this bill, the door just can't open for these things to go forward, much as we appreciate the fact that you're maybe starting to hear what we're saying. Unfortunately, one of the things that the Member for Calgary-East had mentioned is that within the bill, if I remember – and I'm sorry; I don't have the Blues – there is room to address these issues. I would like to know where that is.

Secondly, that the leaders of the industry were the ones that proposed this: well, the industry has spoken clearly to us that these exemptions would certainly help to move these things forward. That is actual stakeholder outreach.

That somehow, without adding in the exemptions that we're wanting to add in, that could promote growth: that seems counterintuitive when you are not exempting that which could open the door to actually growing these industries.

Finally, I think the most concerning aspect was that the member mentioned about going forward and talking about stakeholders in the regulatory process of this bill. Well, that should have been done previous to this bill. Stakeholder outreach needed to happen already. That doesn't happen in the regulations. I'm sure there are things within regulations that will need to be discussed, but – I'm sorry – that should have been done previous to this. That is a telltale sign that the government has not done its due diligence in stakeholder outreach.

The exemptions that are in this bill at the present do not go even close to far enough to incite companies to invest, and that's what we're actually talking about here, investing in the opportunities to actually create processes that will help to reduce GHG emissions. Diversification requires an economic environment conducive to compelling companies to invest in that development.

One thing I would like to say specifically is that biomass fuel is renewable. It is renewable. It has a sustainable, renewable availability to us. We should be encouraging its use in the oil sands, and it cannot be treated as equal to nonrenewable emissions.

Thank you so much.

**The Acting Chair:** Are there any other members wishing to speak to amendment A8?

Hon. members, if we could be cognizant about standing as well. It's hard for me to recognize members whenever we're opening it up for debate.

I'm just confirming if there are any other members wishing to speak to amendment A8.

Seeing none, I will call the question on amendment A8 as proposed by the Member for Chestermere-Rocky View on behalf of the Member for Innisfail-Sylvan Lake.

[Motion on amendment A8 lost]

**The Acting Chair:** We are back on the main bill. The Member for Chestermere-Rocky View.

**Mrs. Aheer:** Surprise, surprise. I know you're surprised.

I would like to bring forward an amendment, Mr. Chair.

**The Acting Chair:** Sorry, just bear with us, hon. member.

Carry on, hon. member. Sorry for the delay.

**Mrs. Aheer:** No, that's fine. Thank you, Mr. Chair. I'd like to move that Bill 25, Oil Sands Emissions Limit Act, be amended as follows. Section 2(2) is amended by adding the following after clause (a): "(a.1) sequestered emissions as determined in accordance with the regulations;" and section 3 is amended by adding the following after clause (d): "(d.1) prescribing a method for determining sequestered emissions excluded under section 2(2)(a.1)."

This amendment basically makes a new exemption for sequestered gases similar to our attempts with biomass and cogeneration.

This is a bit of an inquiry, too. Again, maybe this is just a mistake, but it doesn't seem to make any sense to count captured GHGs the same as GHGs that are emitted. In the definitions, at letter (g) in the actual bill, it says, "'Greenhouse gas emissions' means all greenhouse gases, expressed in tonnes on a CO<sub>2</sub>e basis, that are released from sources located at an oil sands site, including greenhouse gases sent off site." Just to clarify, I'm asking this because I need to know what that means because not all CO<sub>2</sub> that is



sent off site is just released, right? We want to know – like, it's not necessarily released. It could be sequestered for projects and for feedstock, for the algae project that I was talking about earlier, plastic, or petrochemicals.

Whether they're used in petrochemicals, enhanced oil recovery or other processes, stored underground, the government should be finding ways, I would think, to encourage activities and not discourage them. The inclusion of greenhouse gases sent off site under the cap in the definition requires some serious clarity from the government because it sounds like the emissions sent for sequestration count under the cap. I honestly believe with all my heart that you don't mean that. It doesn't make any sense.

Maybe the NDP meant to exempt sequestered GHGs in 2(2)(e), where the bill actually talks about emissions from enhanced recovery, but by enhanced recovery do you mean oil sands? I'm sure. If the government could please clarify, however, because otherwise this really doesn't make any sense. Like, if it was forgotten or was an oversight, could that please be mentioned?

11:00

We're very concerned about the gases that are separated for petrochemical processing being counted here. The government should actually take a look at a way to exclude those from the definition and make this an exemption as well. Unless you're wanting to discourage petrochemical diversification, it kind of goes against everything that we hear pretty much every day in this House.

I'd like to enter a few pieces of a document into the record, and I will make sure I have the required copies of this tomorrow: Recycling Carbon Dioxide to Make Plastics.

Why is this important?

By using CO<sub>2</sub> that would otherwise be emitted to the atmosphere, the process has the potential to cut greenhouse gas emissions while simultaneously reducing petroleum consumption and producing useful products for . . . consumers.

The PPC polymers, copolymerization – that's a fun word – of CO<sub>2</sub> and chemicals, can be tailored for applications with a broad range of material characteristics, everything from plastics to foam. It depends on the size of polymer chain. We want to make sure that if these are being sequestered and used in actually producing something, I would say that that would be very much aligned with what the government is trying to do with this act.

[Ms Sweet in the chair]

Secondly,

converting captured CO<sub>2</sub> into products such as chemicals, plastics, fuels, building materials, and other commodities is an important component

for any energy carbon capture and storage program. This could be especially valuable in reducing carbon emissions in areas where there's no geological storage. Just as the waste wood products can become energy in different processes such as biomass, waste emissions can become inputs for petrochemicals and plastics. I mean, as we say very often, one person's trash is another person's treasure. So let's use the opportunity within this bill to actually promote opportunities to turn waste products into something useful.

Again, this is asking for an exemption for sequestered gases, and I highly recommend that the government vote in favour of this amendment. Thank you.

**The Deputy Chair:** Thank you, hon. member. Your amendment will be referred to as A9.

Just in future, for the House, we need to make sure that we have an intervenor speaker between one speaker and the next speaker. I'm just flagging it for next time.

The hon. Member for Cypress-Medicine Hat.

**Mr. Barnes:** Thank you, Madam Chair. I just want to take a couple minutes and thank my colleague for another amendment, another good idea. In the four hours or so that I've been sitting here and listening, I've heard and seen our government against biomass, cogeneration, partial upgrading, sequestration. Now this hundred-megatonne cap. When I see all of these good amendments and these ideas, what you're really against is innovation. What you're really against is opportunity for the experts, the people in the industry, the people that grow wealth, the people that create jobs, the people that give us the opportunity to have strong families and communities. You're really against giving them any opportunity to flourish. As we talked about when this bill first came to pass, your idea of managed growth is going to set us back.

It makes me think of a couple of things when it comes to being against innovation and the consequences of this government's actions and what it may have. I remember reading six months ago how scientists accidentally discovered a CO<sub>2</sub> process, turning it into ethanol, people in the field, people creating wealth and jobs, what this may lead to.

Then I look at how neighbouring jurisdictions have flourished. I'm still shocked about a breakfast I had two weeks ago, when a senior oil and gas person in Alberta told me that when they're buying oil fields now, they ensure that they sell off the Alberta portion before they go forward. My God. What does that cost us?

Then I'm seeing the other day that in somewhere called Stoughton, Saskatchewan, an Arizona company called Quantum has decided to put in a 40,000-barrel-a-day refinery, full slate. Is it because Saskatchewan has sequestration? Maybe; maybe not. I understand that sequestration is very expensive and maybe not that wholesome a process. Is it because they have biomass cogeneration and partial upgrading allowed? I have no idea. But what they don't have is a cap. What they don't have is a government that manages decline. What they don't have is a government that is all about holding back the talents, the resources of their people.

You know, once here tonight in the last four hours it would have been nice to see the Alberta government do a little bit of the same.

Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A9?

Seeing none, I'll call the question.

[Motion on amendment A9 lost]

**The Deputy Chair:** We are now back on the original bill. Are there any others wishing to speak to Bill 25?

Seeing none, I will call the question.

[The remaining clauses of Bill 25 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? Carried.

## Bill 27 Renewable Electricity Act

**The Deputy Chair:** We are currently on amendment A7. Are there any comments or questions or amendments to be offered in regard to the amendment? The hon. Member for Innisfail-Sylvan Lake.

**Mr. MacIntyre:** Thank you, Madam Chair. Would you kindly read the amendment for the House?

**The Deputy Chair:** Just one second.

**Mr. MacIntyre:** Bring us all back to Bill 27, back to the future.

**The Deputy Chair:** Amendment A7 reads as follows:

[The hon. Member for Innisfail-Sylvan Lake] to move that Bill 27, Renewable Electricity Act, be amended by adding the following after section 5:

Landowner consultation

5.1 A proposal under section 5 shall not be approved by the Minister unless the Minister is satisfied that reasonable consultation in respect of the proposal has taken place with any affected municipalities and landowners.

**Mr. MacIntyre:** Thank you very much. I appreciate that. I want to bring everyone in the House back to our last time together on this bill. We received a speech at that time from the Member for West Yellowhead, and the member stated in regard to my amendment the following:

This amendment demonstrates a remarkable failure to understand the full scheme of the regulatory and approvals process applicable to renewable energy projects and, also, how renewable energy projects are developed in co-operation with landowners who receive revenues from the projects.

Frankly, Madam Chair, this statement does demonstrate an excessive amount of unlearnedness to the realities of the Alberta Utilities Commission requirements to consult with landowners, not to mention a complete disregard for the policies that the Member for West Yellowhead ran on.

Point 1. The AUC requirement to consult can be fulfilled by simply holding a town hall without regard for who attends or who feels that their feedback was taken into consideration. The NDP should have learned this lesson during the Bill 6 rallies. Consultation requires more than a mere meeting where property owners are told how it's going to be. Consultation requires a back-and-forth conversation. It requires that these projects receive approval only after both parties are in agreement that it is mutually beneficial.

**11:10**

The reason why there has been so much anger in this province historically over the issue of property rights is because the existing processes never resulted in a win-win for both sides, and frankly both the Alberta Energy Regulator and the Alberta Utilities Commission have the ability to run roughshod over property owners, which is why we need this amendment.

The NDP and Wildrose shared, at least we did during the last election, a mutual dislike of the heavy-handed principles contained in the province's existing property rights legislation. The Member for Grande Prairie-Smoky took great strides to review the hon. Government House Leader's, the former leader of the NDP's, position on property rights, and I think perhaps the government members might need a bit of a review. The hon. Government House Leader was quoted on property rights on October 27 of 2015 by saying:

Thank you very much for that question, hon. member. I want to assure the hon. member opposite that our party has always believed in due process, in proper notification, rights of appeal. All of the fundamental rights of property owners are things that we support, and we're going to make sure that in the fullness of time those continue to be protected.

There you go. During the last election we saw the NDP making promises to deal with the property rights issues, and here they are

in power well over a year and a half now, and we still don't see any action on that file. What happened to the hon. Government House Leader's stated strong position that in the fullness of time we're going to make sure that property rights are protected? Something happened here. Something fell by the wayside, it looks to me.

Furthermore, the hon. Government House Leader goes on to say:

Back when some of these bills were passed – Bill 19 and, I think, bills 36 and 50 if my memory serves well – the Wildrose didn't exist. It didn't have any seats in the Legislature, and it was the NDP opposition that led the fight for a balanced and fair approach to property.

But, again, the hon. Government House Leader has been sitting on the government side since May of 2015, and he has yet even once to put forward any kind of legislation or amendments to legislation to deal with this issue.

Then I happened to come across an interesting bit of paper. I believe it was a mailer sent out to all kinds of people in our province, and it's entitled *Your Land, Your Rights: The Alberta NDP's Stand against Tory Land Grabs*. It's an interesting document.

Alberta's NDP stands for . . .

- Due process with respect to rights of landowners . . .
- Power customers must not be required to pay for utility projects of for-profit companies . . .

The NDP opposition has submitted two private members' motions to the Legislature demanding action.

One of them says:

Be it resolved that the Legislative Assembly urge the Government to introduce legislation to protect the rights of landowners, ensuring property rights cannot be arbitrarily violated or extinguished without consultation and fair compensation.

Well, hallelujah. You know, we're getting older by the day waiting for this. Haven't seen hide nor hair of it. But here we have an amendment that is before the House right now attempting to deal with this very thing, this very issue. We waited and waited and waited, and there was nothing coming from the government side, so here we have an amendment that actually deals with it.

The truth is that Alberta has not done enough to secure the property rights of Albertans to be implementing wide-sweeping changes to the electricity system. Here again we see the government going whole hog in a certain direction without taking care of some unfinished business with respect to property rights in this province, and it is little solace that can still be provided to protect Albertan property owners. You know, this amendment is attempting to right a wrong, a wrong that was recognized by members opposite when they were in opposition, but as we have seen repeatedly from this government, something happened to their memory.

Now, the Member for West Yellowhead went on to tell us something about what facilities brought to local economies, again missing the point entirely, stating that, and I quote, in the municipal district of Pincher Creek a wind farm brought \$12 million into the local economy. End quote. Well, I wonder what the farmers in the member's riding would say in response to the member's logic, that their property rights are secondary to financial gain. Wildrose is not opposed to privately funded wind farms. Investing \$12 million under agreeable property rights circumstances is an important part of growing Alberta's economy. What we are opposed to are draconian property rights laws that see Albertans left without solace after their properties are expropriated under this province's existing laws, laws that the NDP recognized needed to be changed, needed substantial overhaul, and to this day they've done nothing whatsoever to right that wrong.

**An Hon. Member:** Nothing?

**Mr. MacIntyre:** Nothing. Lip service during an election doesn't cut it in this province. The people of Alberta are expecting this government to live up to their campaign promises to deal with the long-standing issue of property rights.

In the 2015 Property Rights Advocate report expropriation was a top-five concern. In the top five, Madam Chair. Eleven per cent of the 127 inquiries received by the Property Rights Advocate office were specifically about expropriation and adverse possession.

Here are a few more pieces of scathing information from the Property Rights Advocate office's 2015 annual report.

Compensation for those affected may not always be appropriate, likely due to gaps, overlap and fragmentation in the way laws and policies are written or interpreted. Laws may have been written with the intent of fairness but when the components are not integrated into a complete system there are challenges that prevent equity and fairness in the outcomes.

In other words, the equity and fairness is by no means guaranteed just by the wording of the specific regulation. It's how it is actually delivered that counts.

Certain activities or legislation are viewed as an invasion of property rights and Albertans want clarification on the rules when it comes to their rights . . . Ownership implies that an asset "belongs" to the owner and that it cannot be taken away unless, or until, the owner elects to release it.

That is what ownership means.

When government affects property rights in some way, owners are paid for their losses in some circumstances but in other situations are not compensated. Albertans want to know the circumstances in which the erosion of a property right will trigger compensation. Albertans want to know exactly what an Albertan owns when he or she owns a property or a property right.

The report goes on to say:

Albertans are also connecting with [the office of the Property Rights Advocate] to ask for justice – justice for intrusions on their property rights in the form of appropriate compensation and adequate appeal mechanisms. An appeal mechanism, to be adequate, must provide timely and easily accessible (in terms of process and cost), hearings by an impartial tribunal with broad jurisdiction to consider all relevant influences. Absent any of those factors, an owner can find themselves not only stripped of their property rights but also feel emotionally and financially subjected to an ineffective, time-consuming and overly-complex process.

**11:20**

Madam Chair, these are serious, serious statements being made by the advocate's office, and they are referring to what still exists to this day, terrible lacks in our laws, laws that are draconian, heavy handed, that put far too much power in the government to expropriate without appropriate consultation and compensation. So while the member might believe that policies

are already in place to ensure that renewable energy projects are also subject to public scrutiny under the [AUC's] strict regulatory processes and reviews of new generation projects. It does that.

The AUC's processes include reviews with local communities, in consultation,

this is fundamentally not a true statement. It is, frankly, embarrassing to hear a member of this House make such grandiose and ill-informed statements about the state of property rights in the province of Alberta, property rights that the hon. member and his party agreed to do something about but, to this moment, have done nothing.

The member went on to say in his speech last week: "This can include full hearing processes, where the AUC deems it necessary." Oh, really? "Where the AUC deems it necessary": that is an actual quote from the member. The member believes Albertan property

owners should find some solace in the fact that the AUC has the option of listening to their municipalities or not. Shameful. The Member for West Yellowhead went on to say: "The AUC can put conditions on the project to require certain mitigations of various concerns. So there is consultation." Wow. The member actually said that the AUC can put in place conditions. Nothing whatsoever has been learned by the members of this government during the Bill 6 consultations or lack of consultations. You still do not understand how consultation works. You cannot call it consultation if it's only a win-lose situation. Genuine consultation has to end up in a win-win or it's not consultation; it is simply conformity, forced conformity. That is not democracy.

We get e-mails and letters and phone calls from concerned constituents across this province, constituents that attend these AUC so-called consultations only to find out that they do not have a choice about the construction of wind and solar farms in their area. Albertans are very concerned about the impacts on wildlife. Albertans are concerned about the impacts on human health in terms of the constant low-level vibration and sound waves, the noise, the dizziness, the sleep deprivation, the constant flicker effect of sunlight passing through moving blades. Albertans are concerned about stories coming out of Ontario about wind power inflicting injury upon their livestock. They're concerned about decreased property values, soiled water systems because of how far down the foundation supports for it have to go. On and on and on, these are concerns. If this government was really consulting Albertans, they have to answer all of these questions satisfactorily to Albertans, and one of the most fundamental roles of government is the protection and preservation of private property.

We should have repealed bills 19, 24, and 36 by now, just as promised by this government during their election, and we should be passing the Alberta property rights preservation act before trying to pass Bill 27. We should be passing legislation and amendments entrenching property rights, protection in law, and reviewing all existing laws dealing with property rights to ensure that when needed public projects are undertaken, negative impacts on affected property owners are minimized and fully compensated for.

In short, Madam Chair, we have a situation here where we've got a bill before this House that is going to potentially add fuel to the fire regarding property rights in this province that have yet to be dealt with appropriately. I would encourage this government to start doing something positive and approve this amendment.

Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak? We will go with the Member for West Yellowhead.

**Mr. Rosendahl:** Yes. Well, here we go. I'm going to rise and oppose the amendment, like I did last week. [interjections] No kidding. Yes. It's really interesting how the members opposite fail to understand the extent of regulations and the approval process applicable for renewable energy projects. It's amazing how you misunderstand things. It's just unreal.

You know, the involvement of municipalities. It's true that municipalities continue to have their own opportunities for scrutiny and participation in the hearing process. Isn't that good? They also continue to set and apply their own setback rules governing distances between equipment, property lines, and dwellings.

**An Hon. Member:** Imagine that.

**Mr. Rosendahl:** Imagine that. Good one.

Okay. Let's look at the rural landowner concerns a little bit further. The other side also doesn't understand how renewable

energy companies work with landowners to develop projects. We have been hearing some members opposite raising concerns about expropriating property for renewable energy projects or them forcing themselves on the landowners. How silly is this? This is silly. We've heard this in this House, and we have no doubt that we've seen them write it in newspapers and that kind of thing as well, trying to support their argument. What does this show? A clear misunderstanding of the bill, perhaps. It also suggests, maybe, a misunderstanding of the development – a fellow member left – and regulatory process involved in building new renewable energy projects.

Well, let's be clear. In our legislated renewables target there is no mechanism that allows renewable companies to force development on land where the owner doesn't want them. This bill does not require that, nor does it exist in law. Why do they keep saying these things? If a landowner chooses to participate, however, in a renewable project on their land, then they would enter a private agreement with the company and be compensated over the life of the project.

**An Hon. Member:** It sounds good.

**Mr. Rosendahl:** Very good.

Interesting. This is always a choice that the landowner has. Nobody is forcing it on anybody. It's a choice, right? This is always a choice, and it's important to understand that. This will continue to be the case. I don't think I want to hear any more fearmongering from over there.

You know, we talk about listening to the landowners and municipalities that have hosted wind farms. The mayor, Kym Nichols, from the village of Carmangay, near Blackspring Ridge, the largest wind project in western Canada, states:

I am honored to have been involved in such a monumental project. To see all of the wind turbines across our beautiful countryside is truly remarkable. I think the Blackspring Ridge Wind Farm shows the world the huge opportunities for untapped renewable energy in southern Alberta. The community of Carmangay is proud to be part of this project, helping to reduce our carbon footprint and offering renewable energy for generations to come.

There are other mayors that have said things.

**11:30**

Then we get to a landowner, right? Gary Sproule in Wheatland county, near Suncor's Wintering Hills wind project, said:

It's ... nice to have an idea of a pretty good [chunk] of income that you are going to have available in the next 20-25 years. You can make some plans and have a little money set aside. You're not always sure of a lot of other things when you farm, so this is kind of a nice, reliable number that you [can] work with.

What's wrong with that?

Dixon Hammond, another farmer, said:

It was ... added income for us, and it actually made it so that we could purchase our home quarter from my dad.

Keeping the family farm: what's wrong with that? Like he says:

It's important for me to have land for my family to live on and understand agriculture and the country way of life.

That's fantastic, right?

David and Flora DeCock, another farming family, said:

The income [wind turbines] provided helped us as cattle producers to get through the BSE crisis.

Well, let's look at the future. Imagine how many stories like this will come about with our plan to support investment in 5,000 new megawatts of renewable energy for Alberta. Imagine that.

And what does the other side say about this? When the Member for Innisfail-Sylvan Lake says that people are going to flock to our

renewable energy program "like hogs to the trough," does he mean these municipalities that are gaining huge revenues from wind farms for their community services? Does he mean that these landowners want to keep their family farms? Revenue from renewable energy makes this possible because the people are partners in renewable energy. Renewable energy doesn't get forced on their land. They work with developers to share these benefits.

We oppose this amendment. Thank you.

**The Deputy Chair:** Thank you, hon. member.

The hon. Member for Barrhead-Morinville-Westlock.

**Mr. van Dijken:** Thank you, Madam Chair. I rise to speak on amendment A7 to Bill 27, the Renewable Electricity Act, "A proposal under section 5 shall not be approved by the Minister unless the Minister is satisfied that reasonable consultation in respect of the proposal has taken place with ... affected municipalities and landowners," essentially protecting and recognizing the natural rights of property owners throughout this province.

I think what the Member for West Yellowhead fails to recognize is that the legislation that we currently have in this province is not fully compensating and recognizing the rights of property owners when governments come forward to appropriate, expropriate land in the best interests of the common good and possibly on the backs of a few individuals without proper consultation and without proper compensation and without due course of being able to appeal to the courts. This is where the concern arises, and until this government finds a way to improve legislation with regard to property rights in this province, we will continue to have a concern that individuals will be taken advantage of by a government that decides to move in on their land.

It's easy for a government in Edmonton to insist on all these renewables. One thing that is for sure is that renewables do have a significant impact on the rural communities. Vast areas of land are necessary for solar and wind energy installations, and that's just a reality. But what's trying to be identified here by the Member for Innisfail-Sylvan Lake is that in that reality we need to be sure to protect the property rights of those individuals.

For example, wind energy has both positive and negative impacts on our environment. We see some potential positive impacts where we have reduced environmental pollution and also less water consumption possibly, benefits to the society at large. However, the negative impacts of these types of installations – the noise pollution, the visual interference, the negative impact on wildlife, those types of impacts – are felt by the local community where those installations occur. So I think what we have to recognize here is that we need to improve property rights legislation to be protecting the natural right of individuals to be in pursuit of property.

One of the reasons I still have concerns whether or not this government truly is on the side of improving property rights in this province is an experience I had during estimates this spring with the Minister of Transportation and questioning the compensation where the Springbank dam is being proposed to the landowners there and how the government was going to be able to settle those agreements. The minister made a comment quite concerning to me. He said, "It's a negotiating process which I think would be assisted if we refrain from discussing projected prices. We want to get the lowest possible price." I responded by saying, "The landowners deserve the best price possible because we are interfering with their ability." I do believe that it's necessary to have a win-win situation in these types of discussions and these types of negotiations. The minister said at that time that he sees his responsibility as getting the best value for the taxpayer with no concern for the landowner, apparently.

Property rights are at the core of our way of life. Albertans depend on having and being able to exercise these crucial rights. They rightly and understandably wish to see their rights preserved and respected. Albertans want certainty with respect to their property rights, and good governments will protect those property rights. Bad governments trample on property rights for power.

I do believe that this is a very reasonable amendment that has been brought forward, and it will improve the protection of property rights for the people that are impacted at the local community level, many of them in the rural communities, so I will encourage the Members of the Legislative Assembly to support this amendment and improve Bill 27 with this amendment.

Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A7? The hon. Member for Lacombe-Ponoka.

11:40

**Mr. Orr:** Thank you, Madam Chair. I will support the amendment because I think the reality here is that this is about property rights, and the only thing this amendment seeks to introduce into the bill is just a small statement that there should be some reasonable consultation with respect to the municipalities and the landowners. Any government that will not allow that to be in print and then who tries to tell us, "Oh, it'll all happen, and it'll all work out" might be likened to a salesperson who says, "Oh, just believe me" but doesn't want it in the contract. We all know that if it's not written in the contract, it actually doesn't exist.

It's easy for government and big companies to sit in Edmonton and think about what they want to do and all the things that they want to build and how this is going to save the world and how all these things are going to happen, but the reality is that it's the smaller rural communities, the neighbourhood family farms that actually have to live with this. In some cases it works out well, but truthfully, it doesn't always work out well.

To say that this bill in itself includes property rights as the bill would affect individuals is simply not correct. The reality is that there are a number of existing bills that intertwine with this one as this will come into force and they, in fact, do already infringe on property rights. The previous government put those in place, and I do have to give some credit to some of the members of the previous government who have acknowledged that they forgot about the people. They became too aristocratic and too autocratic to remember the people. They put into place laws that have in fact eroded property rights in our province, as the members opposite a few years ago clearly understood and were willing to espouse in their own publications to the province. But now all of a sudden they changed the tune. They've forgotten all that. They've lost all that.

The truth is that Bill 2, the Responsible Energy Development Act, takes away the important right of notification and appeal. If landowners have no right of appeal, then their rights are being trampled on.

Bill 24, the carbon capture and storage act, is another one that ignores common law principles. The government just autocratically and universally declared that all the pore spaces underneath belonged to government, and the landowner has no say in the issue. They can't even question it.

Bill 36, the Alberta Land Stewardship Act, which is still a huge concern, grants to cabinet the autocratic powers to decide what will happen. The landowners have no right of appeal, no right of a response. This an overstepping of government for the people.

This is not democratic rights when these kinds of bills are in force currently in Alberta, and they will impact how this bill, the

Renewable Electricity Act, is in fact applied. You know, the rights of democracy and property together were fought for in the 1700s and 1800s. It was the individual against the king and the nobility. As long as individuals could be driven from their property or have their rights of use and benefits denied by the state, then they had no democratic rights. That's what's happening with Bill 2, Bill 24, and Bill 36, that I've already mentioned. It will intertwine with this bill as long as there is no statement of landowner rights acknowledged in it at all.

We are in a very real way, over bill after bill after bill in the last years in this province, eroding the rights of individuals. We are regressing to the excessive power of the king and the state when we entrench the power of either cabinet or the bureaucracy, which is the executive and the policing enforcement hand of government. Therefore, it makes life easy for government and hard for the people. Big government is never democracy. It always is autocratic and tyrannical. When government takes more power than the people give it, then they have trampled the rights of the people. That's the bottom line. When government takes more power than the people have given it, then they have trampled the rights of the people.

I will be supporting this amendment because it is the only amendment in the bill that even gives a nod to property rights. Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A7? The hon. Member for Innisfail-Sylvan Lake.

**Mr. MacIntyre:** Thank you, Madam Chair. Just to remind the hon. Member for West Yellowhead that a considerable number of the statements that I made came from the Property Rights Advocate office's 2015 annual report and that I didn't make them up. So the concerns that the other side were mocking and laughing about are actual concerns from Albertans, brought to the attention of the Property Rights Advocate office, the very office created to advocate on behalf of Albertans who feel trampled by the system. The property rights legislation that we currently have in place is inadequate to protect Albertans, and the Property Rights Advocate was reporting on the feelings of our people. The mocking that was coming from the other side wasn't against me; it was against all of those people that made submissions to the Property Rights Advocate, raising their concerns about how this Alberta government tramples on them. That's who you were mocking, and you should be ashamed.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to the amendment?

Seeing none, I'll call the question.

[Motion on amendment A7 lost]

**The Deputy Chair:** We are now back on the original bill. Are there any other members wishing to speak? The hon. Member for Calgary-South East.

**Mr. Fraser:** Hi, Madam Chair. I actually have an amendment.

**The Deputy Chair:** Thank you, hon. member. Your amendment will be referred to as A8. As soon as I get the original, you can go ahead.

**Mr. Fraser:** Thanks, Madam Chair. I move that Bill 27, Renewable Electricity Act, be amended in section 12 as follows: (a) by renumbering it as section 12(1); (b) by adding the following after subsection (1):

- (2) Payments from the General Revenue Fund under subsection (1) shall not exceed 10% of the total revenue of the Climate Change and Emissions Management Fund under the Climate Change and Emissions Management Act for that fiscal year.

Again, thank you, Madam Chair. It's almost midnight, and it is a pleasure to represent the constituents of Calgary-South East and Albertans as a whole and be a member in this House. Today I propose an amendment to Bill 27, the Renewable Electricity Act. I'd like to first say that the aim of this bill is not entirely without merit. There is certainly room in Alberta for the development of more renewable electricity options, and certainly that's what I believe. I also believe that we are blessed and privileged in Alberta with the abundance of wind and solar in this province, as anyone who has seen that that has lived in Alberta can certainly attest to.

The idea behind this bill is certainly one that I can understand, but I don't think that we're fulfilling our duty as legislators, with the duty to protect the interest of Albertans, if we allow this bill to pass in its present form because at this point there are still some rather glaring risks to the taxpayer contained in this bill. Leaving aside the fact that there are too many unknown aspects of this legislation, too much that will be decided in regulation and not without supervision of this House, there are some other issues as well.

The issue that I'd like to discuss today and the issue that my amendment is designed to address is essentially the issue of liability. That's to say: who is going to be responsible if things don't turn out as this government planned?

We know that money being handed out to renewable electricity companies is supposed to be coming out of the government's climate change fund. So all the money that they are taking from Albertans through their carbon tax, for example, is supposed to be able to support this program, but the government is hedging their bets there. They're making an allowance in this bill that if there isn't enough taxpayer money, they can start dipping into general revenue to make up the difference, and I think we can hazard a pretty good guess why the government thinks this is necessary, because they have all these programs whose funding is supposed to come from the carbon tax. I think it's pretty clear that all of these promises they are making, all the money they are handing out is going to exceed the money in their climate change fund.

They certainly don't want to admit this to Albertans, but they are going to have to pay for a lot of these programs straight out of general revenue. That isn't necessarily a bad thing, and there are some legitimate reasons why this makes sense to have a safety valve like that built into the financing of certain programs. But the problem is that once you're tapped into the general revenue, there is almost no limit on how much the taxpayer can be on the hook for.

**11:50**

We've seen this in other jurisdictions under other renewable and green energy products that can be successful, but we've also seen some of these projects become colossal failures. That is why I believe we need to guard against this. The amendment I am bringing forward will put a limit on how much money can be drawn from the general revenue on these programs. If we cap the amount that can be drawn from general revenue, we can protect the taxpayer from assuming this huge liability if things go wrong. So we're proposing that the payments from the general revenue shall not exceed a 10th of the total revenue of the climate change and emissions management fund. This will give the government some flexibility in dealing with shortfalls, but it will also protect the taxpayer from having to shoulder cost overruns.

I hope this amendment will find support from this House. Thanks for your time.

**The Deputy Chair:** Thank you very much, hon. member.

Are there any other members wishing to speak to amendment A8? Seeing none, I will call the question.

[Motion on amendment A8 lost]

**The Deputy Chair:** We are back on the original bill. Are there any other members wishing to speak to Bill 27? The hon. Member for Innisfail-Sylvan Lake.

**Mr. MacIntyre:** Thank you, Madam Chair. We wish to propose another amendment.

**The Deputy Chair:** Hon. member, your amendment will be referred to as A9. If you could just wait until I have the original copy and then you can go ahead.

Please go ahead, hon. member.

**Mr. MacIntyre:** Thank you. Another one of the issues that we have facing us with this particular act is the idea that at some point in time these projects, be they wind turbine projects, be they photovoltaic projects, all have a life to them and an end of life, and one of the issues that is not to be found anywhere in this bill is: what is going to happen at the end of life of these projects? For example, if you're talking about utility-scale solar projects that are covering very large amounts of land, hundreds, possibly thousands of acres, at some point in time those modules are going to start to deteriorate, and the rate of deterioration on solar modules is not a straight line. It's a curve, and it drops off very quickly towards the end of life.

Most of these modules have a life anywhere from 20 years to 30 years long, and then what? This bill does not deal with the "then what?" In addition, if we talk about wind turbines, we're already seeing some of the wind turbines in our province coming to an end of life. Cowley Ridge, for example, is about to be decommissioned. Because of the nature of the new wind turbines, the old concrete bases and footings for the old units are completely insufficient to be reutilized for new towers. So that means we have this enormous cleanup that is going to have to take place.

In the United States, where they have a large number of failed wind turbine projects, failed for various reasons, we now have situations where they are literally disintegrating: broken towers, broken derricks that some of them are on, broken blades, and collapsing towers. Some of these projects, of course, belonged to companies that are now bankrupt. They're defunct. They're not there anymore, and everybody's pointing fingers at who's going to be responsible for cleaning the mess up.

There's nothing in this bill that deals with the end of life of these things, and they all have an end of life.

So if you look at this amendment – it's very clear – to move that Bill 27, Renewable Electricity Act, be amended by adding the following section after section 7:

**Reclamation**

7.1 All renewable electricity support agreements entered into under section 7(4) shall include the requirement for reclamation of any affected lands including the following:

- (a) the removal of equipment or buildings or other structures;
- (b) the decontamination of buildings or other structures, or land or water;
- (c) stabilization, contouring, maintenance, conditioning or reconstruction of the surface of the land.

Really, Madam Chair, this isn't a whole lot different from what we require of our oil and gas developers now. Reclamation is a very

important thing. When we have orphaned wells, for example, we have an orphan well fund. It just makes perfect sense. And there are any number of ways that reclamation could be handled, either through a fund, through bonding, through all sorts of mechanisms. But in Bill 27 there was nothing whatsoever about reclamation, and I would recommend to all members in this House that reclamation is going to be something extremely important, given the thousands and thousands of acres that are going to be taken up with 5,000 megawatts of renewable power generation.

It is incumbent upon this government to make very sure that there is something solid in place that the people of Alberta can look to and say, "All right; they've got the end of life covered off here," just like we do for oil and gas. There's no reason not to have this. It's a friendly amendment. I believe it's a necessary amendment to this to bill, and it was simply an oversight or something, not thinking about the end of life. I know that a lot of people look at the beginning of these projects and don't focus on: well, what happens 25 years from now or 30 years from now when we've got to clean this thing up or they've got to be replaced or something?

So I would hope that the hon. members in this House would consider the merit of this amendment A9 and that all members in this House will support it. Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A9?

Seeing none, I will call the question.

[Motion on amendment A9 lost]

**The Deputy Chair:** We are back on the original bill, Bill 27. Are there any hon. members wishing to speak to Bill 27?

**Mr. Barnes:** Thank you, Madam Chair. I'd like to take a second and talk again about Bill 27, the Renewable Electricity Act. On behalf of my hon. colleague from Innisfail-Sylvan Lake I have an amendment, and I have the requisite copies here.

**The Deputy Chair:** This will be referred to as amendment A10. Please go ahead.

**Mr. Barnes:** Okay. Thank you, Madam Chair. It is moved that Bill 27, Renewable Electricity Act, be amended in section 7 by adding the following after subsection (2):

(2.1) The Minister shall make any advice given by the ISO under subsection (2) publicly available within 18 months of the advice being received by the Minister.

12:00

Madam Chair, we talk lots in this House about openness and transparency, and from time to time we remind each other that, you know, there is only one taxpayer and it's Albertans that matter and count. It is their province. When I look at the tremendous amount of changes being made to our electric system and the consequences and the unintended consequences that all these may have – from time to time there's been a lot of criticism about the government going around our experts, going around a lot of advice, not paying heed to other jurisdictions where costs have tripled, quadrupled, where citizens on more fixed incomes can't make ends meet and have to make the choices between eating or heating, as some journalists describe it, you know, the fact that some of these technologies aren't nearly as efficient as what is being replaced. Instances where the sun doesn't always shine and the wind doesn't always blow lead to the necessity of a very, very expensive redundancy system, a very, very expensive backup, and, jeez, maybe having to pay somebody for capacity, maybe having to pay

somebody for not producing and, heaven forbid, what that may lead to, and, you know, still adding the tremendous transmission and distribution costs on top of that for our citizens.

Again, the ones that concern me are the hardships that people on fixed incomes and families starting out may have. I know we don't always like to compare to Ontario because we're told that it's not going to be exactly the same, but when I read the other day that there were something like 1,400 Ontario families that had lived over five months off the grid because they couldn't afford their electricity bills – I've been to Ontario a few times, and maybe it's not quite as cold in Ontario as it is in Alberta, but it's not Arizona or California either, Madam Chair. This is of great, great concern to me, great, great concern as to, you know, the fixed incomes, the families starting out, the areas of our province where there's less opportunity, never mind what it's going to do to our industry, where Alberta has the highest percentage of industrial use, I believe, in all of North America, where in our natural resources, in Albertans' talents, and in our existing electricity market companies were able to take advantage of that to provide jobs, to build wealth.

Here's a little system and a great amendment by my hon. colleague from Innisfail-Sylvan Lake to put in a little bit of transparency. I mean, I sat in here for the first three years, where we saw a 44-year-old government that seemed like every day they were forgetting to tell Albertans where they were going and where they were headed. I don't think this government wants to go down that path. I don't think that this government wants to hide from 4.3 million Albertans what experts are saying, what the consequences of their actions are. Hey, this is your opportunity to be open and transparent and show Albertans that this is the right thing to do.

People on this side of the House, many, many in social media and mainstream media have talked at great lengths about how this is going to be the wrong thing to do, how it's not going to be efficient, how it's going to cost great lengths and cost our economy jobs and opportunity. So my hon. colleague is just asking that the Energy minister make any advice given by ISO, our experts, publicly available within 18 months. The information will help the minister act with the greatest of objectivity in the knowledge that the information will be public soon.

Yeah. You know, I applauded the government on their sunshine list. Nothing like the light of sunshine to make people think about how they're spending hard-earned taxpayer dollars. [interjection] I think I applauded that, hon. colleague. I think it was a good step. For taxpayers' money openness and transparency is where it's at, so why not the same thing with our electric system? This is all we're asking for.

I understand that under the new capacity system there is still going to be a small, small element of bidding into the system, and as complex as our electrical system is with generation separated from transmission, I absolutely believe that the one component that the last government did get right was the generation part of it, the fact that many, many companies bid in at zero, especially on renewables, to ensure that they were paid something. Who benefited from that? The 4.3 million Albertans, the very people that we're here to represent, the very, very people that we're here to ensure there is competition and choice and a strong economy.

This new capacity payment system, paying for people to be ready to produce, I understand, although I don't think we've seen the regulations yet, will have a slight element of bidding instead of a full-blown robust portion, and that's a huge step backwards. But at least have ISO within 18 months show us what was happening.

You know, Albertans are tired. Albertans are tired of governments hiding critical accountability under the advice to the minister provision. They're tired of not being fully involved in their system. It's what I spoke of earlier when I talked about innovation.

If this information is out there, it will give our companies, renewable and more conventional electric generation companies, the opportunity to develop some innovation to make it more energy efficient, make it so perhaps carbon is used less and renewables happen more, which is obviously the government's goal. Of course, we're all concerned about the environment. So maybe this advice could lead to some tremendous innovation for Albertans.

Hon. colleagues, again tonight I've seen every single amendment turned down and generally not listened to, so I would just ask that you strongly consider this one just on the basis of openness and transparency. Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to the amendment A10?

Seeing none, I will call the question. [interjection]

**An Hon. Member:** She wants to speak.

**Ms Luff:** Or you can call the question.

**The Deputy Chair:** The hon. Member for Calgary-East.

**Ms Luff:** Thank you. I'll just speak very briefly. I just wanted to note that with this bill, Bill 27, we do have a very transparent process inherent in the bill. All of the programs that are present and that will be put out will be subject to a competitive process, and the competition documents will all be published. So all that information will be readily available to members of the public to see what agreements we have entered into and under what conditions.

Also, the MSA will review the program administration and auction administration, and all of the renewable electricity support agreements will be made public. One of the things that I was really impressed with with this bill when I was reading it was its amount of inherent transparency measures that are written right into the bill that really make sure that we are getting the best value programs for our renewable energy competitions here in the province.

So I would argue against this amendment. Thank you.

**The Deputy Chair:** Thank you, hon. member.

The hon. Member for Cypress-Medicine Hat.

**Mr. Barnes:** Thank you again, Madam Chair, and thank you to the hon. Member for Calgary-East for that. I'm glad to hear about some of the transparency, but then I'm wondering: why stop short? This is asking for just a greater degree of transparency, advice given by ISO, the experts.

Again, I think back to the third party now, where one of the main reasons in 2012 that led to the start of the Wildrose was the fact that under their electricity bill and building the big transmission lines, they had absolutely left out the needs assessment. Albertans were horrified at the \$16 billion, which I think may turn into \$30 billion, in the cost of these transmission lines that were built without a needs assessment, built without a competitive bid process, and now, I think, aren't even fully built. So why in the world would your government want to follow that huge mistake?

**12:10**

Thank you again to the hon. Member for Calgary-East and her helping clarify some of the transparency. But why stop short? You know, we saw in all the motions on Monday afternoons how anything under advice to a minister you wouldn't put forward. Again, we're all accountable to Albertans, we're all accountable to make the right decisions, so I ask the government to be fully transparent in this matter.

Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A10?

Seeing none, I will call the question.

[Motion on amendment A10 lost]

**The Deputy Chair:** We are now back on the original bill, Bill 27. Are there any other members wishing to speak? The hon. Member for Calgary-Foothills.

**Mr. Panda:** Thank you, Madam Chair. It's already 10 minutes past midnight, and I'm trying my luck. The Member for Cypress-Medicine Hat just said that every common-sense, reasonable, practical amendment was voted down today. Here we go. I have another amendment.

**Mr. Barnes:** Let's try one that's not reasonable.

**Mr. Panda:** Yeah.

I can send the requisite copies to you and wait.

**The Deputy Chair:** Thank you, hon. member. The amendment will now be referred to as A11. Please go ahead.

**Mr. Panda:** Yeah. Madam Chair, I move that Bill 27, the Renewable Electricity Act, be amended as follows, as written in this one that everyone has. It's asking about economic impact assessments. I'm saying that the following be added after section 2.

Economic impact assessment

2.1(1) One month after the date on which this Act receives Royal Assent, the Minister shall prepare a projection of impact of the renewable electric energy targets established in section 2 on Alberta's economy.

(2) The Minister shall lay a copy of the projection prepared under subsection (1) as soon as practicable before the Assembly if it is then sitting or, if it is not sitting, within 15 days after the commencement of the next sitting.

In part B section 23 is struck out, and the following is substituted. Coming into force

23 This Act comes into force 60 days following the date on which the Minister lays the projection prepared under section 2.1(2) before the Assembly.

Madam Chair, we presented similar amendments to all of the major bills this government has brought which have the potential to transform our system massively. This Bill 27 and other bills, like Bill 25, can transform this system, and this can have far-reaching impacts on our economy presently and also in the future. That's why it's only fair that an economic impact assessment be prepared and tabled before this act takes effect.

[Mr. Sucha in the chair]

Before going down the track of the ISO developing proposals, Mr. Chair, the minister needs to know what the province is getting into, what they are asking us to accommodate in future. Albertans have every right to know what the impacts are of these agreements before they're developed by ISO, the Independent System Operator.

Governments often go headlong into ideological policies without first establishing what the real-life impacts will be. The case in point here, Mr. Chair, is Ontario. Ontario put their ideology and communications before economics in their quest to look green, and now we all know where they ended up. It's not a laughing matter. Ontario has ended up with \$37 billion more in electricity payments by the consumers or ratepayers or taxpayers, whoever it is. It's all the same. Ontarians ended up paying that bill.



That's why, Mr. Chair, this is a very friendly amendment. You need to know what you're doing before you do it, actually. The minister needs to know because Alberta's economy is at stake. We're talking about billions of dollars here. That's why we needed a robust debate before we start down the wrong path. Nobody can argue. This government wants to cap the electricity prices at 6.8 cents, but renewables need almost twice that to be profitable, and on top of it, the system requires major investments in backups. So how are we squaring this circle?

This government is trying to transform the whole economy. They're trying to transform how we live, how we make our living. They're attacking the jobs. There is no solid plan to create an equal number of jobs in this renewables sector. If there is, if somebody has done the economic impact analysis, we're asking the minister to present it. If they really did that, they should share with Albertans. What are they trying to hide, and why are they hiding? I don't get that, Mr. Chair. To not have an economic impact on this kind of transformation to bills, major bills, is irresponsible.

Also, Mr. Chair, we all like renewables – and we mean it – but we want the renewables to be economical, reliable, efficient, and safe. How do we know if the renewables that are proposed by this government are any of those if an economic impact analysis is not done? For us to determine that these renewables are economical, reliable, efficient, and safe, we need an economic impact study. For example, on safety we don't want solar panels turning into giant bug zappers. We don't want it. Albertans don't want it. Nor do we want wind turbines killing birds and bats, and we certainly do not want hydro turning fish into sushi.

On reliability we want the electricity there when we need it, not like in Pakistan or some other country where government says when you can have the power. I've seen that in other countries where I've lived. The government will determine when you can have power. I have seen that, Mr. Chair. There are mosquitoes in those countries, and you can't switch on your ceiling fan because the government of the day decides whether you can have power during that particular time or not. They can turn on and turn off the switch as the government chooses to in their wisdom. They may have good intentions, but they didn't have reliable power to support the public. That's why countries like India and China still have hundreds of millions of people without electricity. They're not stopping. Their priority is to electrify those villages and supply power to hundreds of millions of people. They're going to add hundreds of gigawatts of whatever power, whether it is thermal, renewable, whatever.

12:20

They're not going to take the suggestion from the Member for Calgary-East or west or north or south. They're not waiting. Their priority is to feed their population. They have to first provide shelter, food, clothing for their poor people. We can sit here and give all sorts of lectures, and we can't control those emissions that they're generating because we can't build walls in the sky. It's going to flow in our direction whether Mr. Trump decides not to have a cap on emissions or Mr. Wall decides not to have emissions. There's nothing we can do about that. We can't protect our boundaries. That's why, you know, we have to look at the big picture and we have to do the economic impact study.

Another reason, Mr. Chair, is efficiency. We want the electricity as close to the consumers as possible so there is little loss of power as it converts to heat going across power lines. Have you ever heard of Ohm's law at all, Mr. Chair? This is the Greek omega symbol in the equation where resistance equals the voltage divided by the amperage. It's what I studied in electrical technology when I did mechanical engineering. That's a requisite subject. The lower the resistance, the more electricity that goes through the lines, and

that's why there is so much research and development into superconductors.

But if we don't do an economic impact analysis, we won't figure it out, whether it is efficient, reliable, safe, or economical. We won't. And it's our job to convince Albertans that we have done all that and we are ready to implement this bill. No government member, neither the minister nor the members from the ruling party, can tell us that they have done that. If they have done it, either they are not sharing with us because of the reason that they want to hide it from Albertans – we don't know. If you haven't done it, do it. If you have done it, share it with us so Albertans know what are the economic impacts before ISO goes and does their gig and sends bills to the taxpayers or ratepayers, Mr. Chair. That's why it is quite essential to do an economic impact analysis before we get into it.

It's not too late. I urge all members of this House to support this amendment and prove to Albertans that we can work together and we can collaborate and we can make bills better. So I ask all members to consider that and vote in favour of this amendment.

Thank you, Mr. Chair.

**The Acting Chair:** Are there any other members wishing to speak to amendment A11? The Member for Edmonton-Meadowlark.

**Mr. Carson:** Thank you very much, Mr. Chair. I'm just rising to speak to this amendment, of course, just to say that from what I've seen from the research of the ministry and in talks with the ministers themselves, I think it is very important to recognize that the economic impacts of this piece of vital legislation are most definitely positive for our province. As I'm sure we've heard in this House or has been stated before, it will bring \$10.5 billion in private investment and a conservative estimate of about 7,200 jobs. I think it's important to recognize what that means. I mean, 7,200 jobs for families and Albertans: once again, that's a very conservative number. Well, a conservative – I can't say "very."

Of course, this act will enshrine our targets in the legislation. This will bring greater clarity for companies looking to invest here in Alberta. We've heard the argument, once again, I believe, from the last speaker but often throughout this discussion that we don't want to end up like Ontario. I think it's important to recognize how our version of renewable energy here in Alberta will be different and our system as a whole.

Also, the act will provide that the program will be funded from the carbon levy payments off major emitters. It will not cost anything for electricity consumers, and the act mandates this specifically.

Once again, I think that is very clear, that this legislation will be positive for the province as a whole and our energy industry. I think it's time that we move forward on this legislation now and not later. I will not be supporting this amendment, and I do encourage my colleagues to do the same.

Thank you.

**The Acting Chair:** The Member for Innisfail-Sylvan Lake.

**Mr. MacIntyre:** Thank you, Mr. Chair. Just one thing. The hon. member just talked about some research that he has seen from the government convincing him of something. I would ask that he please table that tomorrow.

**The Acting Chair:** Any other members wishing to – the Member for Olds-Didsbury-Three Hills.

**Mr. Cooper:** I request unanimous consent to revert to tablings of documents.

**The Acting Chair:** Sorry, hon. member. That cannot be done during Committee of the Whole.

Any other members wishing to speak to amendment A11?  
Seeing none, I will call the question.

[Motion on amendment A11 lost]

**The Acting Chair:** We are back on Bill 27. Are there any members wishing to speak? The Member for Innisfail-Sylvan Lake.

**An Hon. Member:** Surprise.

**Mr. MacIntyre:** Surprise.

Thank you, Mr. Chair. One of the issues, another of the many issues that we have with Bill 27, comes to the issue of fairness and reporting. So I would like to propose an amendment if I may.

**The Acting Chair:** This will be referred to as amendment A12.  
Please proceed, hon. member.

**Mr. MacIntyre:** Thank you, Mr. Chair. I move that Bill 27, Renewable Electricity Act, be amended by adding the following after section 6.

Fairness report

6.1(1) The ISO shall prepare a report at least once each calendar year on the advice provided by the fairness adviser under section 6 and, when it is complete, provide the report to the Minister.

(2) When the Minister receives the report under subsection (1), the Minister shall lay a copy of it before the Legislative Assembly if it is then sitting and if it is not, within 15 days after the commencement of the next sitting.

It is extremely important that the fairness adviser's work be effective. The issue that we have, though, is that if it never sees the light of day, it's not really going to be all that effective. This government campaigned on an issue of transparency in government, on a campaign of fairness, consultation, listening to Albertans, and doing things differently. Well, one of the things that we would hope this government could do differently is to make things public to the good people of Alberta.

12:30

Now, specific to this, in Bill 27, section 6, it currently reads:  
Fairness advisor

6 The ISO shall engage a person who is external to the ISO to serve as a fairness advisor

- (a) to provide advice to the ISO with respect to the development of the competitive process referred to in section 5 to ensure that it is a fair process, and
- (b) to ensure that the implementation of a program under section 7 is conducted fairly.

Here we have an individual that is going to be contracted, hired, or put in the position of fairness adviser to provide advice to the ISO regarding the competitive process and the implementation of the programs.

Now, one of the things about accountability is that you can't really call something accountable if everything is done behind closed doors because in ensuring fairness, it is incumbent upon whoever is involved in this – in this case, it's the fairness adviser – that that person's work to be brought to the light of day so that Albertans can see that, "All right; according to the fairness adviser's report things are being conducted in a fair and equitable manner," or, conversely, if there are issues, that they be brought to the light of day.

Now, we have a number of persons in similar positions such as the Ethics Commissioner, the office of the Child and Youth Advocate, the Auditor General. We have a number of these people in positions, very important positions in a democracy, who create reports giving a

report card on the government's activities. It only makes sense that the fairness adviser's work be brought to light as well so that Albertans can see how well the ISO is doing. Our electricity system is extremely important to every Albertan, and I believe it is incumbent upon the government to ensure that this person's work is brought out.

An annual report would give some distance from some time-sensitive items but would ensure accountability. Now, we realize that one of the reasons why we have this put out as an annual report is that there are going to be some dealings within ISO that are sensitive, some things to do with bidding processes and such like, and having a monthly report would of course compromise the confidentiality that needs to be surrounding things within that process. That's fine. An annual report would give some distance from such time-sensitive items but would still ensure accountability at some point. In other words, at some point we're going to hear about how fair the process has been.

I would hope that more thought could be put into the purposes of this position, perhaps something pertaining to landowners being treated fairly. That ought to be something that a fairness adviser should be looking at. It would be great if there was a really fulsome discussion about the mandate of the fairness adviser. What all is the fairness adviser going to be looking at?

This amendment attempts to make an improvement here by simply saying: "All right. Yes. Great. We're going to have a fairness adviser. Let's get his report out into the public annually so that we can have a look as Albertans and see if the fairness adviser is even being fair." So I would hope that all members in this House would consider this friendly amendment as a good amendment, one that will improve Bill 27.

Thank you very much.

**The Acting Chair:** Any members wishing to speak to amendment A12?

Seeing none, I'll call the question on amendment A12 as proposed by the hon. Member for Innisfail-Sylvan Lake.

[Motion on amendment A12 lost]

**The Acting Chair:** We're back on the main bill. The Member for Chestermere-Rocky View.

**Mrs. Aheer:** Thank you, Mr. Chair. I would like to bring forward an amendment if I may.

**The Acting Chair:** That will be referred to as amendment A13.  
Please proceed, hon. member.

**Mrs. Aheer:** Thank you, Mr. Chair. On behalf of the hon. Member for Innisfail-Sylvan Lake I would like to move that Bill 27, the Renewable Electricity Act, be amended in section 7(1) by adding: "and shall make information about each competitive process publicly available at least 60 days prior to the start of the competitive process."

I'll make this short and sweet. Obviously, this amendment will be something that I'm sure the government, at 12:35 in the morning, will be ecstatic to vote on on behalf of and with us. What this does: the obvious transparency gives the government the opportunity to make sure that they will not quietly open bids and have only their friends have the inside track. Obviously, you're going to want to vote to make sure that this amendment goes through because that would be transparency, and this is what this government campaigned on.

**Mr. MacIntyre:** You think?

**Mrs. Aheer:** I think so for sure.

I'm so excited to also make sure. I mean, the NDP has a ton of connections within the renewable electricity sector, so let's make this as transparent as possible and make the process competitive. What we're asking is that we want to make sure that it is made publicly available for a certain amount of time so that Albertans are aware of that and we get the best people coming forward in this competitive process, which means that you're going to get more of the best people at the best price and make sure that these contracts are in front of people and that they know what's going on.

Obviously, given the desire of the government to want to show Albertans that they're not going to just have their friends hired into these contracts, they're going to definitely vote for this amendment. I'm absolutely sure although I'm not a betting person. We would love to be able to give the government the opportunity, Mr. Chair, to keep the temptation away from them, to keep these bids open and not under the radar because we want to make sure that that transparency is the first and foremost idea coming forward with these contracts coming online. Obviously, the government is going to want to vote in favour of this.

The renewable gambit could be a complete boondoggle in the making if we're not careful. If you do not maximize the opportunity for competition, that is the road that we will head down. Obviously, the government is going to want to maximize competition. Obviously, they're going to want to post who is in the bidding for these competitive processes. Sixty days prior to the competitive process is not a lot to ask. I think it's very reasonable.

Most importantly – most, most importantly – is that we have to do everything that we can do to reduce the extra costs of some of these very irresponsible targets that have been brought in by the government and that will actually fall onto the backs of Albertans. Very irresponsible. We have numbers like 30 by '30, 100 megatonnes. We have a lot of different numbers that have kind of been pulled out of thin air.

In order to hold yourselves accountable and in order for Albertans, Mr. Chair, to make sure that the government is accountable and transparent, we would suggest and highly recommend that the government vote in favour of the amendment to hold themselves accountable by making sure that at least 60 days prior to the start of the competitive process it is publicly available.

Thank you.

12:40

**The Acting Chair:** Are there any other members wishing to speak to amendment A13?

Seeing none, I will call the question on amendment A13 as proposed by the Member for Chestermere-Rocky View on behalf of the Member for Innisfail-Sylvan Lake.

[Motion on amendment A13 lost]

**The Acting Chair:** We are back on the main bill. The hon. Member for Innisfail-Sylvan Lake.

**Mr. MacIntyre:** Thank you, Mr. Chair. Again, you can't say we aren't trying to help.

**Mr. Cooper:** We're here to help.

**Mr. MacIntyre:** We're here to help.

We have a situation now with this Bill 27 where it needs another amendment.

**The Acting Chair:** We will refer to this as amendment A14. Please proceed, hon. member.

**Mr. MacIntyre:** Thank you, Mr. Chair. I move that Bill 27, Renewable Electricity Act, be amended by striking out section 8. Now, section 8's heading is ISO Interest in Generating Unit. I'm just going to read this section briefly.

8(1) Despite section 9(6) of the Electric Utilities Act, the ISO may, in accordance with any commercial terms that are part of a renewable electricity program, hold a security or other interest in a generating unit, as defined in that Act, as security in relation to generator default or insolvency.

(2) The ISO shall

- (a) notify the Minister prior to enforcing a security interest held pursuant to subsection (1), and
- (b) enforce a security interest in accordance with any direction of the Minister.

(3) Any interest in a generating unit held by the ISO pursuant to subsection (1), and any ownership interest resulting from the enforcement of a security interest, shall be transferred or assigned in accordance with any direction of the Minister.

Now, we have a scheme here that is already enough of a boondoggle without the government taking over any potential money pits. If we have a situation where – well, I'll back up a minute. This section is really very vague, Mr. Chair. If the government needs some kind of transitional ability to keep these things running between private owners, they should go back to the drawing table and come back with something that is at least more narrow and certainly more prescriptive than what we've got. We don't even have a clear definition in Bill 27 as to what a security or other interest means. That's really leaving the door wide open to any definition of other interest.

It seems to me that what we've got is a situation here where – you know, under section 9(6) of the Electric Utilities Act there was a perfectly good reason why the ISO was protected or limited or hindered from holding security. Now we have 8(1) saying “despite section 9(6)”; in other words, in spite of – in spite of – a section under the Electric Utilities Act now ISO can hold a security or another interest. Then on top of that, the minister can transfer it, can assign it, can do what the minister wants with it, this security interest.

The road that we're going down with this particular section of Bill 27 is a very slippery slope. It means more or less that in the case of an insolvency or who knows what, the government of Alberta, the taxpayers of Alberta, could be in the ownership position of generation. That's not a road we want to go down. So I would hope that every member in this House will vote in favour of this amendment and strike section 8 completely. It is too vague. There is no clear definition of “security or other interest.” I mean, in other words, there's no definition whatsoever. It's just “other.”

Thank you very much.

**The Acting Chair:** Any other members wishing to speak to amendment A14?

Seeing none, I'll call the question.

[Motion on amendment A14 lost]

**The Acting Chair:** The Member for Cypress-Medicine Hat.

**Mr. Barnes:** Thank you, Mr. Chair. I appreciate the chance to rise one more time. On behalf of my hon. colleague and friend from Innisfail-Sylvan Lake I would like to propose one more amendment to Bill 27, the Renewable Electricity Act.

**The Acting Chair:** This will be referred to as amendment A15. Please proceed, hon. member.

**Mr. Barnes:** Thank you, Mr. Chair. I move that Bill 27, the Renewable Electricity Act, be amended in section 7 by adding the following after subsection (5):

(6) The Minister shall make all renewable electricity support agreements filed under subsection (5) publicly available within 14 days of being received by the Minister.

**Mrs. Aheer:** Hear, hear.

**Mr. Barnes:** Yeah.

I mean, publicly available clearly means to Albertans, to the ratepayers, to the people that build our economy, to the people that pay the bills for this electricity. Obviously, Mr. Chair, once an agreement has been entered into, both the public and competing bidders deserve to know the details. A lot of my hon. colleagues on this side of the floor have stood up on amendment after amendment, time after time, and have talked about all the benefits of openness and transparency, so we don't need to repeat those. I would hope that the government and NDP members would finally have . . .

**Mr. Cooper:** The courage of their convictions.

**Mr. Barnes:** . . . the courage of their convictions to remember that it's Albertans' system.

The last two or three little thoughts I want to leave with are about where the system is at now. I think this government is going to have one heck of a hard time taking something away from Albertans. I know this speaks particularly to any public support agreements to renewable electricity. When I think of the electric generation system now – it's on the Internet, for goodness' sake. You can see what the rate is. You can see what companies are bidding in at. You can see who's won the bid and the contract to serve Albertans, and you can see who came in too high.

Now we're going to a system where our new government, Albertans' government, is going to be hiding some of the agreements, some of the support. Whether it's taxpayers or ratepayers – there's only one taxpayer; there's only one ratepayer – it will all come out of our standard of living. It will all come out of the opportunities that we'll be able to leave for the next generation. I absolutely believe that your government will be in trouble when we back away from transparency.

[Ms Sweet in the chair]

We're also going from a system where one of the strengths of it was that the people of Alberta had no public debt on electric generation. Obviously, I have seen a government love of debt and the interest payments that go with it and what you're going to do with our electricity system and how the ratepayers are going to end up being responsible for that and what that may do to our bond rating, what that may do to our credit rating, whether it's triple A or double A or A, except when it comes to building schools, except when it comes to hiring nurses, except when it comes to providing AISH programs, support programs for our seniors, and the programs that we all want to provide.

12:50

Yes, we're talking about transparency. Yeah, we're talking about within 14 days providing something that the ratepayers and the people of Alberta are going to be paying, but you're taking a big step backwards. You're taking a big step backwards in disclosure, you're taking a big step backwards in the amount of debt you're taking on, and you're taking a big step backwards in the affordability that our families and Albertans and our industries had.

So I would ask in our last try of the night for my hon. colleagues to please consider this amendment and support it. Thank you.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to amendment A15?

Seeing none, I will call the question.

[Motion on amendment A15 lost]

**The Deputy Chair:** We are now back on the original bill, Bill 27. The hon. Member for Olds-Didsbury-Three Hills.

**Mr. Cooper:** Well, thank you, Madam Chair. What we've seen this evening is an ideological government that has no regard for the facts, an ideological government that has no regard for what Albertans are speaking about, an ideological government that has chosen to put their political interests ahead of what Albertans are looking for. It is well past midnight, 10 to 1, and what we see is this government going in a direction that isn't respectful of taxpayers. It doesn't respect landowners' rights. It doesn't respect accountability. It doesn't respect transparency. It is more than a bit disappointing. It is more than a bit disappointing that this government has chosen to put their ideological agenda ahead of the needs and interests of Albertans, and it won't soon be forgotten.

**The Deputy Chair:** Are there any other members wishing to speak to Bill 27?

Seeing none, are you ready for the question on Bill 27, Renewable Electricity Act?

[The remaining clauses of Bill 27 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? Carried.

The hon. Acting Deputy Government House Leader.

**Ms Ganley:** Thank you, Madam Chair. I move that we rise and report bills 34, 25, and 27.

[Motion carried]

[Ms Sweet in the chair]

**Mr. Rosendahl:** Madam Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following bills: Bill 34, Bill 25, Bill 27. I wish to table copies of all amendments considered by Committee of the Whole on this day for the official records of the Assembly.

**The Acting Speaker:** Does the Assembly concur with the report? All those agreed, please say aye.

**Hon. Members:** Aye.

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

The hon. Acting Deputy Government House Leader.

**Ms Ganley:** Thank you very much, Madam Speaker. Considering the hour I would move that we adjourn and resume this morning at 10.

[Motion carried; the Assembly adjourned at 12:56 a.m.]





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