



ISSN 1499-3783

Legislative Assembly
of Ontario
Second Session, 37th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 37^e législature

Official Report of Debates (Hansard)

Wednesday 21 November 2001

**Select committee on
alternative fuel sources**

Ministry of the Environment

Committee business

Journal des débats (Hansard)

Mercredi 21 novembre 2001

**Comité spécial des sources
de carburants de remplacement**

Ministère de l'Environnement

Travaux du comité

Chair: Doug Galt
Clerk: Tonia Grannum

Président : Doug Galt
Greffière : Tonia Grannum

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.

Hansard Reporting and Interpretation Services
3330 Whitney Block, 99 Wellesley St W
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
3330 Édifice Whitney ; 99, rue Wellesley ouest
Toronto ON M7A 1A2
Téléphone, 416-325-7400 ; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

**SELECT COMMITTEE ON
ALTERNATIVE FUEL SOURCES**

Wednesday 21 November 2001

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**COMITÉ SPÉCIAL DES SOURCES
DE CARBURANTS DE REMPLACEMENT**

Mercredi 21 novembre 2001

The committee met at 1003 in room 151.

MINISTRY OF THE ENVIRONMENT

The Chair (Mr Doug Galt): I call to order the select committee on alternative fuels. I welcome Tony Rockingham as a delegation. We're a bit shy on members at this point, but we look forward to your presentation. We've set aside half an hour. We want to hear your views. If you're comfortable, perhaps you'd like proceed, unless committee members have any comments they want to make prior to getting started. Everybody looks quite agreeable, so perhaps you'd lead off.

Mr Tony Rockingham: Thank you very much, Dr Galt. Maybe I could introduce two staff from the Ministry of the Environment who may be able to answer questions, depending on the wishes of the committee.

The Chair: Perhaps they would like to join you at the table.

Mr Rockingham: OK. I'll ask John Hutchison to join me, and Robyn Kurtes who is also here. We might ask her questions later on, depending on where they go.

We appreciate the invitation to present to you the key features of the emissions trading regulation and to highlight the implications for green power producers in Ontario. What I have proposed, and I hope members have copies of the presentation slides—

The Chair: You're going through this?

Mr Rockingham: Yes. In the presentation I propose to highlight the context for the emissions trading regulations, move through some of the details of the regulations and the tools being applied to protect and improve air quality in Ontario, and then discuss the implications for green power producers in the province.

The first slide, entitled "The Context for Emissions Trading": as members know, the government has finalized the emissions trading regulation and that announcement was made on October 24. The announcement also announced a number of items that are very important for the context for emissions trading. Let me start by saying that emissions trading by itself does not reduce emissions. It's the caps that are associated with the emissions trading, the caps that the government has imposed on the emissions, in this case of nitrogen oxide and sulphur dioxide, and the proposals for other initiatives and accelerated initiatives to protect and improve air quality.

The first part of the announcement on October 24 was that the government is proposing to accelerate the sched-

ule for achieving air emission reductions. The government has committed in the past to a 45% reduction in NO_x emissions and a 50% reduction in SO₂ emissions, and has now posted a proposal on the Environmental Bill of Rights to accelerate the target date for those commitments from 2015 to 2010.

The second element of the announcement on October 24 was establishing in law the limits on emissions from the electricity sector, and those limits, described in law in the regulation that was finalized, decrease over time.

The third element was the finalization, the regulation, the law requiring Lakeview to cease operation as a coal-fired station no later than April 2005, and there are major emission reductions associated with that.

The fourth element was the proposal to expand the caps on NO_x and SO₂ to major industrial sectors; and then the fifth element was the finalization of the rules for emissions trading. Those rules are described in the emissions trading regulation and the code associated with that.

Those five elements completed the environmental protection framework for ensuring appropriate environmental protection in a competitive electricity market, and on that basis the moratorium on the sale of coal-fired stations was lifted. At the same time the Minister of the Environment gave approval to OPG to proceed with its proposed NO_x emission control technologies, the SCR's at Nanticoke and Lambton stations.

On slide 3, so that I can give you more details on the commitment to cleaner air, on exactly what the government's commitments are for NO_x and SO₂ reductions, the proposal is, as I've said, to move the targets for those emission reductions from 2015 to 2010. That would mean Ontario would reduce NO_x emissions by 45%, and that's compared to a 1990 base, by 2010, and reduce SO₂ emissions from the limits that existed in the year 2000 by 50%, again by 2010. Both of those dates are consistent with the Canada-wide standard for ozone and particulates and will move Ontario forward to meeting those Canada-wide standards.

Perhaps I could comment at this point that those commitments to improve air quality by reducing emissions of NO_x and SO₂ will by themselves provide some improved environment for the development of green power producers—alternative and renewal energy sources.

On page 4, so that I can provide more details on the electricity sector, as I said, the emissions of NO_x and SO₂

are capped by law. The details of that are shown in the next graph and maybe we can turn to that.

1010

I would draw members' attention to the left-hand side of the graph on page 5, where we show what the emissions currently are for OPG stations. For the coal and oil-fired stations in Ontario right now, we note that the total emissions are about 51 kilotonnes. There are emissions on top of that from what we term NUGs, non-utility generators. Those are cogeneration stations or smaller stations owned by TransCanada Power or TransAlta, other power generators. The total emissions, we estimate, are about 57 kilotonnes. I say "estimate" because we have not yet had all of the data in from the mandatory reporting regulation. We will have that data in shortly and we'll be able to be more precise in what the total emissions from the electricity sector are.

The important thing for members, I would suggest, is that the OPG emissions have to decrease immediately. They will have to go, when this regulation comes into force in 2002, from 51 kilotonnes to 48 kilotonnes even if OPG chooses to use the maximum number of credits that they are allowed under the regulation. I'll provide more details on what the credits are in a moment.

I would also point members' attention to the right-hand side of the graph, which shows that by 2007, the entire electricity sector will have to make major reductions in their NO_x emissions.

That's what the emissions trading regulation defines. It defines the emissions trading rules and also the caps over time that the electricity sector must honour. I would point out that those caps decrease over time.

On page 6, I would just point out that the government has proposed expanding the emission caps to include other major sectors such as the cement industry, the iron and steel sector, the chemical sector, the refinery sector. Those discussions are underway right now to see what the appropriate levels of those caps are or exactly how those sectors will ensure that their emissions are reduced.

I noted in some of the previous discussion of this that there was some discussion about what percentage of emissions were covered by the emissions trading regulation. On slide 7, I would point out that the electricity sector right now is responsible for about 15% of the NO_x emissions in the province and about 23% of the SO₂ emissions.

Moving to emissions trading in more detail, slide 8 addresses the question, "Why Emissions Trading?" I would point out that there has been good experience with emissions trading. There are a number of systems working in the US, and the United States Environmental Protection Agency is extremely pleased with the results. Trading provides the industry with the ability to plan their environmental investments along with their natural business cycles.

To reduce the cost of meeting tough environmental targets, it provides incentives for going beyond environmental compliance. So the system does reward industry leaders. It provides short-term flexibility so that as

business opportunities arise to provide the goods and services that society demands, industry has the flexibility to be able to provide those services while ensuring that the environment doesn't suffer as a result of those business cycles.

In Ontario, we have adopted an emissions trading system that builds on the experience we've noted on emissions trading systems in the US and also some of the pilot programs we have had in Ontario. What we've adopted is an emissions trading system that allows the trading of permits but also allows the creation and trading of credits. The reason for this is that Ontario has a very limited number of power stations. What we're trying to do with emissions trading is ensure that there is adequate flexibility, and to use market mechanisms so that owners of power stations are in a better position to assess the benefits of different emission reduction strategies.

To have a market, we need more than just six players that have the same technology opportunities. We note that in the States the successful emissions trading systems have many more than six players and that there have been robust markets that have developed. By introducing credits, the ability to create credits and to trade credits, we are expanding the trading market and making it a more efficient system. Also, by allowing the creation of credits and the trading of credits, we are able to provide incentives for people in the entire Ontario airshed, not just within the Ontario political boundary, to reduce emissions. This is extremely important in Ontario because over 50% of the pollution is specifically associated with ozone, so for NO_x and SO₂, which are the two pollutants we have capped in the regulation, we can provide incentives to people in the Ontario airshed who are in Ohio, Michigan or New York for them to reduce their emissions.

As well, the fifth bullet here is that credits provide incentives for reductions across the economy, not just from the facilities that are named in the regulation.

The final slide here addresses some of the specific questions the committee posed, and that is, what are the implications for green power producers? As I've said before, the regulation that caps emissions from fossil-fired stations, by itself and quite independently of emissions trading, will improve in my view the economic environment for the development of green power sources, because it forces the fossil fuel stations to recognize the environmental impacts to at least a greater degree than they have in the past.

However, the government went further than that. In the trading rules it established a set-aside for renewable energy, which can provide financial incentives for the development of new, renewable energy projects. We look forward to seeing how that works and what sort of incentives result from that.

I would point out that there are still some issues that remain with the application of that set-aside and how successful it's going to be. I'm aware of a couple of the issues through the public consultations. A lot of renewable energy producers want to sell their power as

green power, and they expect the market will willingly provide greater revenue to them, or they will reflect greater prices.

I think there needs to be some discussion, which we will have in the coming months, about whether someone who, for example, builds a windmill, can prove they are displacing some of the NO_x and SO₂ associated with electricity generation and are therefore eligible for some of the allowances that are created in the set-aside. If they claim those allowances and then sell those allowances, can they still be considered green? In effect, they have created a credit which someone else will use to increase their NO_x or SO₂ emissions. That's an issue we need to discuss further with stakeholders.

Stakeholders have also brought to our attention the fact that there are a number of different pollutants and that NO_x and SO₂ by itself does not define what a green power producer is.

With that, I hope it's useful and I'm available to answer any questions.

The Chair: Thank you very much for the presentation. I wonder, as long as there are no objections from the committee, if you could take maybe two or three minutes and just talk philosophically about emissions trading and why a government would bring it in, what's good about it, what's bad about it, forgetting what has happened or what is happening. You have gone through that very well, but the committee is having trouble getting a handle on the idea of emissions trading. It has a dirty connotation to it, just in its name alone; maybe "emissions credit" sounds a little better.

This is what the committee is really wrestling with, and why, if you set up a windmill and you buy—maybe I'll leave it to you, if you don't mind putting a little handle on that.

Mr Rockingham: I think the issue is that in a competitive market we want the owner of the station to make the assessments about the risks associated with particular types of investments or strategies that will allow them to meet environmental regulations.

In the past the regulation the government has used to control acid-rain-causing emissions put a cap on the total emissions from OPG as a corporation. So that meant the corporation was in the driver's seat in terms of deciding where it wanted to put its limited resource or its investments to control emissions from the fossil power stations as a whole. For example, it had chosen to put scrubbers into the Nanticoke station—sorry, into the Lambton station. The government said, "As long as the corporation meets the cap that is imposed on the corporation, then that meets the regulation."

1020

In the competitive market, we expect and we are requiring OPG to divest itself of a number of its coal-fired stations. Then the government is left with, should it decide what are the allowable total emissions from each individual station? To do that, we would need to know how that station intended to operate, what the appropriate technologies were and what the expected life of the

station was. In a competitive environment, that information is very difficult to come by.

The emissions trading regulation basically says, "The environment is protected if the sector as a whole is limited in its emissions," and then it's the market that decides which station will emit what, as long as two things are respected: the cap that's defined in the regulation and every other environmental regulation associated with those stations. For example, Nanticoke has a certificate of approval that defines what are the rates of emissions allowable, but that's so that, at a maximum rate of emission, the community nearby is protected. We don't expect Nanticoke to operate at that maximum rate all the time. If it did, its emissions would exceed the amount the environment can withstand.

The Chair: We have about three minutes per caucus. I'll start with the official opposition and work my way around.

Mr James J. Bradley (St Catharines): I would first state my bias against emissions trading, or pollution trading, as I call it. Would you not agree that the greatest impact on the people of Ontario can be achieved if our coal-fired plants are compelled to burn as cleanly as possible—in this case, it would be natural gas—as opposed to hoping that some plant in the US Midwest may reduce its emissions, its pollution, and that somehow it won't make it to Ontario?

If I can be parochial enough, my own city chokes on Nanticoke, the Niagara Peninsula chokes on Nanticoke: the SO₂ emissions, the NO_x emissions and the 29 other contaminants that come over the Niagara Peninsula and in northern New York state. Isn't it much better to compel all jurisdictions, including our jurisdiction over which we have control, to in fact reduce to the minimum in terms of emissions, rather than hoping that somehow we're to get some benefit from something that happens in the US Midwest?

Mr Rockingham: I certainly agree that if you close all the coal-fired power stations you would eliminate the emissions from those coal-fired power stations.

Mr Bradley: I didn't say "close," I said "convert."

Mr Rockingham: If you wish to minimize the emissions from the coal-fired power stations, you close them. Natural gas also has emissions.

Mr Bradley: I know natural gas does, but before you start tagging me with wanting to close them, I did not say "close them," I said "burn as cleanly as possible," and I'm talking about natural gas.

Mr Rockingham: My apologies. I was just trying to set up the answer. It depends very much on what replaces the electricity if you make modifications to a particular station. You have suggested that if all jurisdictions were to convert to natural gas, then Ontario would be in a position to convert to natural gas. The concern is that if Ontario were to convert to natural gas, it may mean that the power production in the US Midwest, which is within the Ontario air shed, would just be increased and the coal-fired emissions would still enter the Ontario air shed. Your constituents would be no better off.

Mr Bradley: I would contend that they would be better off because the local source has been eliminated.

The next question I have, if there is time, is the penalties for non-compliance. What happens if they do not comply?

Mr Rockingham: The penalties in the regulation are those defined under the Environmental Protection Act, so there are penalties that range all the way from fines to stiffer penalties than that.

Ms Marilyn Churley (Toronto-Danforth): Thank you very much for your presentation this morning. I want to have you elaborate a little bit more on the difference between the US trading system and what you're proposing here.

Mr Rockingham: The trading system I would compare it against is the trading system that has been proposed under what's called the NO_x SIP Call, and that is a trading system that is expected to be in place in the coming years in 22 states that are around the Great Lakes, many of them in the Ontario air shed. They have capped coal-fired stations—there are some 200 coal-fired stations—and they allow trading of those allowances among the coal-fired stations for the ozone annex, which I think is also important in this context. The annex also allows permits to be purchased from capped sources outside the region.

In Ontario, as I said, we allow trading of allowances or permits, and as well, credits where those credits reflect real reductions in emissions from sources that are not named in our regulation.

Ms Churley: I understand why you said you're doing it differently. From your perspective, they have over 200 power plants there and we have far fewer. But to expand on what my colleague Mr Bradley mentioned, the concern with this program of course is—let's take, as an example, Hamilton. How does one ask a member to go back to their own community and say, "We may have more net pollution here, but somewhere in the US they've reduced it. There could be more pollution spewing out over us in a trade, but overall it's helping the global warming situation." That's a problem with this program.

Mr Rockingham: Right. I think the key is to recognize that we're dealing with pollutants that travel long distances. Using Mr Bradley's reference, when there is a smog event in the Niagara Peninsula, that's largely because there have been smog events in the US that have moved forward. There are environmental regulations that protect the local community, because some emissions go up the stack and drop very quickly, but most emissions—certainly the NO_x and SO₂ emissions—enter the atmosphere, have a long residence time and move across the countryside. In fact, as I say, a lot of the pollution that causes smog events in Ontario is due to polluters in the US.

Mr Ernie Hardeman (Oxford): In your presentation, you refer to the numbers across the sector. The reason we have the emissions trading is to allow the competitive industry to work properly. Does that not take away ultimately from the competitor to have someone who

wants to invest in generation that will lower emissions, but they can't do it because somebody with higher emissions will not sell or will not provide that opportunity unless they buy the old coal-fired plant that is well beyond its useful life? But they hold the emission numbers, so they won't let someone put in a different type of generation. They're still going to have some emissions.

Mr Rockingham: This was an issue that was raised in the consultation period. I think the regulation addresses it very well. First of all, I would point out that the allocations are made on an annual basis. In the transition period, there is a slightly different system, but when all emitters are capped, starting in 2008, there is a competitive system for allocating emissions so that existing emitters have no advantage over new emitters. For example, a Sithe-type station, such as is proposed for the Mississauga area, is expected to be extremely clean when compared to a coal-fired station. However, its allocations will be based on the amount of power it produces, rather than the total number of emissions. So there is a real incentive. Sithe is essentially getting rewarded for being a cleaner emitter. So it will in all likelihood receive more allowances than it needs, and its dirtier competitors will receive fewer allowances. There's a direct financial incentive, as projects are on the drawing board, to improve them, to find ways to reduce their emission rates.

So no, I don't think there is a problem in the current regulation with existing stations having a competitive advantage over new stations.

1030

The Chair: We're down to about 30 seconds.

Mr Jerry J. Ouellette (Oshawa): Actually, I have a number of questions, but because of time I just want to ask about end-user credits. One of the problems is that there's no incentive for end users to receive credits when utilizing green energy. Why would General Motors in my riding buy green energy when they don't get any credit for it? Is some method being looked at so that the end user would have some incentive to use receive credits for using green energy?

Mr Rockingham: I would start from the point of view that emissions trading and the emission caps are not the only mechanisms we've seen as we've reviewed mechanisms to encourage green power. There are other mechanisms that have worked out quite well in other jurisdictions. I wouldn't look to emissions trading as the only mechanism to encourage green power. Primarily, emissions trading is about ensuring that emissions are capped and that the cap can be robust and still allow for a competitive market.

Mr Ouellette: But there's no incentive for the end user to comply with the green power.

The Chair: We're going to have to move on. Thank you very much for coming forward. We appreciate the input.

ONTARIO CLEAN AIR ALLIANCE

The Chair: Our next presenter is Jack Gibbons. Welcome. We look forward to your presentation. As

you've heard, we're struggling with emissions credits, trading, whatever, for the committee to better understand it, so consequently we look forward to your comments.

Mr Jack Gibbons: Thank you for the opportunity to talk to you today about emissions trading. I'm Jack Gibbons from the Ontario Clean Air Alliance. We're a coalition of 79 organizations that represent over 6 million Ontarians. Our goal is very simple: we want to phase out the five coal-fired power plants in Ontario to protect public health and the environment.

Emissions trading: I want to talk to you briefly about four major flaws in the government's proposed emissions trading system.

The first flaw, and maybe the most important one, is the fact that it does not achieve compliance with the ozone annex that Canada and the United States signed last December. The second flaw is that it will allow the sulphur dioxide emissions from the coal-fired power plants to rise between now and 2006. The third major flaw is that it only caps two of the 30 pollutants that come out of the coal-fired power plants. It will allow the 28 other pollutants to rise. Finally, to the best of my knowledge, the proposal does not yet include penalties for polluters who break the cap, whose emissions exceed the cap.

Let's turn to the ozone annex. The ozone annex is a treaty that was signed between Canada and the United States last December. That treaty caps the nitrogen oxide emissions, which are smog-causing emissions, from southern Ontario's fossil-fired power plants, starting in the year 2007. That cap is in terms of nitrogen oxide emissions. Nitrogen oxide emissions can be measured in two ways: NO, or nitric oxide, or NO₂, nitrogen dioxide. These are two different ways of measuring the same pollutant.

Everyone else in North America measures nitrogen oxide emissions in terms of NO₂, but Ontario Power Generation and the government of Ontario measure it in terms of NO, and that leads to a lot of confusion. If you measure it in terms of NO, your emissions look a lot lower than if you measure it in terms of NO₂. So that leads to a lot of confusion and it makes Ontario look better than it is to people who don't understand that detail.

Since the government of Ontario and Ontario Power Generation measure it in terms of NO, when I'm talking to you today, I'm going to talk to you in terms of NO emissions. But if you look at the actual ozone annex, those are measured in terms of NO₂.

The cap for the southern Ontario power plants, starting in 2007, is 25,000 tonnes in terms of NO. That's the cap we must achieve to honour our treaty obligations with the United States of America.

The Chair: If I could interrupt for a second, what we're struggling with is the advantages or disadvantages of emissions trading, rather than what the government is or isn't doing now, so we can understand that better, so we can promote the idea of alternative fuels. That's what the committee is after. Maybe we didn't send out the

proper message. We're struggling with this emissions trading, good or bad.

Mr Bradley: Since we allowed the Ministry of the Environment to purvey its propaganda, I think we should allow all witnesses to say what they want to say.

The Chair: I'm just expressing the direction.

Mr Gibbons: I'm trying to get to it. I'm sort of trying to lay the groundwork.

Ms Churley: Just for a point of information, we need that background to understand.

The Chair: OK, go ahead.

Mr Gibbons: The ozone annex requires a cap of 25,000 tonnes, starting in 2007. If you look at the government's emissions trading proposal, the cap set out in their document says 25,000 tonnes. So superficially, it looks like they're totally in compliance with the ozone annex. The issue is that the government of Ontario's cap for the fossil-fired power plants has two components: allowances and emissions reductions credits. The allowances are set at the right amount for the ozone annex, 25,000 tonnes, but under the emissions trading proposal, the fossil power plants in southern Ontario are allowed to exceed their allowances cap by 33% by emissions trading. So basically under this emissions trading scheme, because there is emissions trading, the fossil power plants are allowed to exceed the ozone annex cap by 33% in 2007. That's just not right because that doesn't fulfill our treaty obligations with the United States of America, and Canada simply must live up to its international obligations.

David Anderson, the federal Minister of the Environment, has clearly stated that if the government of Ontario does not correct the situation, he will step in, the government of Canada will step in, and use their authority under the Canadian Environmental Protection Act to directly regulate Ontario's fossil power plants, to ensure we comply with our obligations to the United States of America.

Hopefully the government of Ontario will quickly come to its senses, before the federal government has to step in, because there's no question the federal government will step in, if they have to do so, to honour our treaty obligations to the United States of America. That's the first problem. We need to make sure the emissions trading system is consistent with the ozone annex agreement.

Now let's turn to sulphur dioxide emissions. That is the second emission that is capped by the government's system. There are two caps. In 2002 the new proposal lowers the existing sulphur dioxide emissions cap by 1%. In 2007 it lowers the sulphur dioxide cap by 18% compared to the status quo level. There are two problems with that. Basically those reductions are much too small. For example, with the 1% reduction that comes into play in 2002, because Ontario Power Generation's existing sulphur dioxide emissions are already below that cap, this new cap will actually allow Ontario Power Generation to increase their sulphur dioxide emissions by 5% between now and 2006. So that's going in the wrong direction.

In terms of 2007, the cap will be lowered by 18%, and that's going in the right direction, that's positive, but it's not nearly enough. The government of Ontario itself has made the commitment to reduce our total sulphur dioxide emissions by 50% by 2010, so we're going to need much larger reductions to achieve that overall 50% reduction, and Ontario Power Generation is one of the least-cost sectors to get those reductions from. So we need bigger reductions. As I said, the Ontario government itself has committed to a 50% reduction overall by 2010, and even that's not enough. The Ontario Medical Association has said we must reduce those sulphur dioxide emissions caps by 75% to protect public health. So we need to go a lot further.

The third problem with the emissions cap and the emissions trading system is that, again, it only caps two of the 30 pollutants that come out of the coal-fired power plants. What can happen is that Ontario Power Generation could put in some limited end-of-pipe pollution control technologies to control those emissions, but then they could burn more coal and increase their total emissions of all the other pollutants from the coal plants—toxics like mercury and lead—increase their greenhouse gas emissions that cause global warming and climate change and increase their emissions of five cancer-causing pollutants. That's just not right.

1040

Basically, under this proposal, Ontario Power Generation's reports forecast that between now and 2012 they will increase their total coal-burning at their coal stations and increase their total emissions by about 6% between now and 2012. Again, that's going totally in the wrong direction. We need to be phasing out these dirty, coal-fired power plants, not creating an emissions trading system that gives them a perpetual licence to pollute.

The fourth issue is the issue about penalties. To the best of my knowledge, the government has not specified what the penalties will be if a company exceeds their emissions under the emissions cap proposal. Mr Rockingham just stated a few minutes ago that there were penalties. I wasn't aware of that, and I would suggest that you ask him to provide you with the exact schedule of what the penalties are, because in the absence of strict emissions penalties, an emissions trading system can quickly degenerate into simply a licence to pollute; they break the cap and they pay a minor penalty. It's really critical if this system is to work that there be strict penalties so companies do not have an incentive to just break the cap and pay the penalty.

Those are the four key points I wanted to make. There's one other point I would like to make to address one of the points that Mr Rockingham made. Mr Rockingham suggested that it might not be in the public interest for the government of Ontario to tell Ontario Power Generation to convert its five coal plants to cleaner-burning natural gas. He said, "Well, we could do that, and then we could just be undercut by cheap coal-fired electricity imports from the United States." That could potentially happen, but there's no need for that to

happen. The government of Ontario foresaw that problem when they brought in the Energy Competition Act. The Energy Competition Act allows the government of Ontario, if it imposes strict domestic standards on our domestic power producers, to also establish emissions performance standards for any imports. So if we establish strict standards for domestic production, we can also establish strict emissions performance standards for any power imports. That will ensure that if we switch to cleaner-burning natural gas, then companies in Canada will not be able to import cheap, dirty, coal-fired electricity from the United States and undercut those new gas-fired power plants, make them idle and make them not able to recover their costs. The government of Ontario foresaw that problem and has put the solution into the legislation, so they should be commended for that.

Thank you very much, and I'm now open to questions.

The Chair: OK. We have about five minutes—maybe not quite—for each caucus, starting with Ms Churley.

Ms Churley: May I say at the outset that I think it's really important that we have an analysis before us of the existing proposal before us, emissions capping, so that we get another perspective of what the problems and issues are that we need to grapple with here on this committee.

I wanted to ask specific questions around a kind of emissions trading that you would accept and you would propose that would actually reduce pollution in Ontario. I don't think I hear you saying that you're opposed to some kind of emissions trading system, it's just the way we go about it. I see in your document that you say that "it is subject to legally binding emission caps that require it to reduce its total annual emissions." That's one of the conditions. In the US, for instance, does their system do that? Does their system actually require that there be lower total annual emissions?

Mr Gibbons: Yes. The American system is a good emissions trading system. There are strict caps that actually ensure that total emissions will go down. In the American system, the only people who are allowed to trade emissions credits or emissions allowances are companies that are subject to a legally binding cap. That's the problem, or one of the problems, with the Ontario system: Ontario Power Generation can buy credits from other companies that are not subject to a cap. So a car manufacturer, say, in West Virginia, could sell an emissions reductions credit to Ontario Power Generation even if that car manufacturer's total emissions are going up, and that doesn't make sense. You should only be allowed to sell emissions reductions credits if your emissions are going down.

Ms Churley: The earlier presenter, when I asked a question about the difference, said that their opinion—the Ministry of the Environment—is that there are fewer plants here. There are only six plants here and 200 in the US. My understanding of what he said was that therefore you couldn't transport that same plan here for that reason.

Mr Gibbons: That's certainly true. There are fewer players. Ontario Power Generation has six coal-fired power plants, but you also have to realize there are numerous natural-gas-fired power plants already operating in Ontario. So the total number of players is way more than six plants, and of course we're expecting more plants to be built.

Yes, there aren't 200 plants, and from an emissions-trading perspective, the more companies or plants you have to trade with, the better. But you can't just ignore the fact that the overall purpose of having a cap on a trading system is to protect public health and the environment. Our first priority has to be reducing emissions.

In terms of the ozone annex, it specifically says that the emissions of the fossil power plants in southern Ontario have to be 25,000 tonnes. That's it. That's the law. We're not allowed to escape that by trading with a car manufacturer in West Virginia.

Ms Churley: Could I ask you another question around an answer to a question from the previous presenters on the issue of—and I know you've been pushing very hard for this—converting the coal-fired plants to natural gas? When Mr Bradley asked a question around that, the answer seemed to consist of—it wouldn't make that much difference because of the plants in the US. I believe you were here for that question. What's your opinion on that? Essentially the answer seemed to be—

Mr Gibbons: I fundamentally disagree. Ontario Power Generation is the largest corporate polluter in the province. It's responsible for 23% of Ontario's sulphur dioxide emissions, 23% of our toxic mercury emissions, about 20% of our greenhouse gas emissions and about 14% of our nitrogen oxide emissions. If you convert those plants to natural gas, you'll get a dramatic reduction in emissions. Most emissions would be reduced by 100%, and that would provide huge public health benefits for the people of Ontario.

Ms Churley: You have recommendations before us. You're saying that emissions trading under certain conditions can be beneficial to the environment, but the way it's been done here will actually increase pollution. That's essentially what you're saying, is it not?

Mr Gibbons: Yes. If emissions trading is combined with strict emissions caps on all the key pollutants, it can lead to a huge benefit for public health and the environment.

The Chair: We'll move on to the government side.

Mr John Hastings (Etobicoke North): My first question, sir, relates to your approach to the emissions regime that's proposed and the rescue mission that Minister Anderson is going to take for us to help us have cleaner air. I'm so relieved that he's going to intervene to save us from ourselves, since we have such a terrible proposal here.

You've had conversations with Minister Anderson, I assume, regarding the regulation for emissions trading for Ontario under this existing proposal, correct?

Mr Gibbons: I haven't had direct conversations with Minister Anderson, but it's on the public record. Last

summer, Minister Anderson and then-Foreign Affairs Minister Axworthy put out a press release clearly stating that if the government of Ontario wouldn't bring in regulations to achieve compliance with the ozone annex, the government of Canada would use their authority to do so.

Mr Hastings: What do you think of the federal government's total absence of activity in starting to regulate the terrible emissions coming from the railway industry? Right now, emissions across Canada for CN-CP, as far as I can see in the federal registry, is completely—there is not even a comment. There doesn't even seem to be a proposal for this. That's another source of terrible air pollution.

Mr Gibbons: Yes, diesel fuel is very bad. Diesel fuel from trains is very bad and diesel fuel from trucks is very bad. We definitely need much stricter regulations of diesel fuel. I agree with you 100%.

Mr Hastings: Would you, as an organization, be presenting your views regarding the absence of federal action in that particular area?

Mr Gibbons: Our mandate is very narrow. Our mandate is just to address the coal-fired power plants in Ontario. That is the mandate I have from my members. I do not have a mandate to address other air pollution issues, but I agree with you it's an important issue.

Mr Hastings: Do you think you should go back and get that kind of mandate from your members, since we're dealing with air quality overall and the better public health dimension that we want to achieve over time?

Mr Gibbons: I think how the Ontario Clean Air Alliance can be most effective is to be focused, stick to its knitting, stick to its expertise, which is coal-fired power plants in Ontario. I think that's how we can make the best contribution. There are certainly many other environmental groups in Ontario and Canada that deal with other issues like diesel fuel.

1050

Mr Hastings: My next question deals with the cost to the consumer on the proposal you have if it were implemented with these new penalties. First, would it be consistent and harmonized with what you would expect in the trading emissions system in the US? For example, does it have tough pollution penalties, as you call them, at \$10,000 a tonne for two of the pollutants in its existing regime, or are they going to move to that in this new accord that comes into effect, I think you said, in 2008?

Mr Gibbons: In 2007.

Mr Hastings: Have your people done an analysis of what the cost is to the consumer in the existing regime proposed by the government of Ontario and in the regime you would propose with the accompanying changes, including the tough pollution standards? How would that translate out in terms of cost per kilowatt hour? We know there's a certain cost right now for doing business with Hydro in Ontario which results in some of these emissions, especially in the summertime, but it's not exclusively OPG. Yes, you're right; to a great extent there is. It used to be Inco and some of the other polluters. So

there's a certain cost per kilowatt hour under the existing pollution we have in Ontario now. If you move to your regime as proposed, what do you figure the cost would be in terms of that extra kilowatt hour? Have we got it in here?

Mr Gibbons: No, but I've got another report for you which I'm glad to give you, our Nanticoke Conversion Study, which is a study we did in association with companies like Stelco, TransAlta, Union Gas and West Coast Power. With the assistance of Ontario Power Generation, we analyzed the cost of converting the Nanticoke power plant to natural gas. Nanticoke is the largest coal-fired power plant in North America and it produces 60% of our coal-fired electricity. This study showed that we could convert Nanticoke to natural gas and that would raise average electricity rates by between 2.6% to 4.5%, depending on what your gas price forecast is. So we believe that for a very reasonable cost we can get a huge reduction in pollution.

The Chair: We'll have to move on to the official opposition.

Mr Ernie Parsons (Prince Edward-Hastings): This morning has helped me get a little bit of a handle on it, but I'm going to present a situation to you that I'm trying to envision. I am suspicious that with the difference in Canadian and American dollars, it's going to be fairly attractive to purchase electricity generated out of Ontario. Is it possible, therefore, that it would be to the advantage of a plant in the US that's producing dirty electricity—whatever that word means—to cease producing it, which would give them a significant number of credits that they could then sell to OPG, which would increase the cost of electricity for us? They could then purchase their electricity from OPG and thus we would get the pollution and the cost while they get the electricity and the cleaner air.

Mr Gibbons: I don't think that's the most likely scenario. I think what's most likely, with the move to competition under the proposed rules, is that Ontario Power Generation will just directly increase its coal-fired production and sell more coal-fired electricity to the United States. If you look at their business plan which they filed with the financial regulator, they clearly state that one of their key objectives, as we move to competition, is to increase their market share in the United States and export more power to the United States. That's a very important component of their business strategy.

Mr Parsons: Do you envision them buying credits from the US, though, to increase—

Mr Gibbons: Oh, yes, that's part of the scheme. They will be buying credits. They will have the option of buying credits from the United States, yes. Now, just who they're going to buy it from, I don't know; you'd have to ask them. But they certainly will have the option of buying it from a company like a car manufacturer in West Virginia, for example.

Mr Parsons: The other thing I need to clarify is, for that car manufacturer in West Virginia, if they introduce something that reduces their pollution by 10%, they then

have a credit, but they could then increase production by 40% and therefore generate more pollution while at the same time having a credit to sell to OPG.

Mr Gibbons: Yes, that's the scheme. The fundamental flaw is that you're allowing trading with a company that isn't subject to a legally binding cap itself. That was the flaw that was identified by the government of Ontario's Market Design Committee, the blue-chip industry committee that recommended the rules for the competitive electricity market. They said trading should be limited to people who are subject to a cap, and they're absolutely right.

Mr Bradley: In terms of the conversion of power plants, it is said that the Lakeview generating station will be converted using, I think, existing boilers and existing equipment. In terms of emissions to the air, would it be superior to do a complete conversion, which has the cleanest-burning gas equipment possible?

Mr Gibbons: Oh, absolutely. If we went to a new, combined-cycle power plant, then we would reduce their smog-causing nitrogen oxide emissions and their greenhouse gas emissions by much more. That would be the best option. If we had a big, new combined-cycle natural gas power plant at Lakeview, that could help displace coal-fired generation from the Nanticoke power plant and that could provide potentially huge benefits.

Mr Bradley: Selective catalytic reduction, which is proposed by OPG on the Nanticoke plant, for instance, on not all the units but some of the units, would, as they point out, make reductions in some of the contaminants we're concerned about. Your allegation, however—your suggestion, your projection—would be that we would likely see much more output from the plant and that the 28 other contaminants would increase. Does selective catalytic reduction reduce any of the other 28 contaminants significantly?

Mr Gibbons: No. The selective catalytic reductions—OPG is planning to put those on two of the eight units at Nanticoke and they will reduce just the nitrogen oxide emissions, not any of the other 29 pollutants. What the SCRs will do is just reduce Nanticoke's total emissions by about four one-hundredths of one per cent.

Mr Bradley: If you were to project into the future—we use coal-fired plants largely, in Ontario, for peaking purposes, the hot summer days and the cold winter days—we may see a much greater use of those coal-fired plants than we normally would. In your assessment of the nuclear program, is there a reasonable chance that we would see further operational problems and therefore a need for a shutdown on a temporary basis, if not a full and complete basis, to fix the problems with the nuclear generating plants that we have now at the age they are today?

Mr Gibbons: I'm not an expert on nuclear generating stations, so I can't really tell you what the probability is that there will be further shutdowns. Sorry.

Mr Bradley: Mr Chairman, that would be a concern I would have because the nuclear plants have assumed a lot of the power we have in the province, that produced a

lot of the power. When they have operational problems, it forces Ontario Power Generation to go to other ways of producing electrical power. Again, I don't know if you were here when I said I'm not a fan of emissions trading. I know that even you believe there are opportunities where you can have it. In terms of the health of people and the natural surroundings, is not the best environmental benefit—and I understand we have to look at everything, and Mr Hastings I think appropriately asked the question about the cost, because that question has to be asked. But strictly in terms of—

The Chair: We're really going to have to move on. You've had well over the five minutes.

Ms Churley: Has he had extra time again?

Interjection: I don't think so.

Mr Bradley: Go ahead.

The Chair: We'll give a quick response and then we'll move on.

Mr Gibbons: Just remind me of the question. Oh, I remember the question now.

We believe that the best option is just to switch from coal to natural gas. That would directly give you huge emissions reductions in 30 pollutants and that's the best way to go to solve the problem.

The Chair: Thank you very much for taking time and coming before the committee. We appreciate it. Take care.

ENVIRONMENT CANADA

The Chair: Now, with technology, if we can de-mute the far end and make contact.

Mr Stephen McClellan: Hello. Can you hear me?

The Chair: We're starting to hear you. We don't see you, though. We can see it looks like a lot of snow down there.

Mr McClellan: Well, it's Ottawa, you know.

The Chair: There. Now we can see you. Welcome. We look forward to your presentation. This is Stephen McClellan, I gather.

Mr McClellan: Yes, it is.

The Chair: You're addressing the select committee on alternative fuel sources here at Queen's Park. What we're struggling with is this whole area of emissions trading and how it might help promote the idea of alternate fuels/energy sources that may be used in the province down the road. So we look forward to your presentation. We have set aside a total of a half-hour for presentation and questions from the three parties.

1100

Mr McClellan: I think a couple of my colleagues were going to join me there. I don't know if they're there yet.

The Chair: Yes, they are. They're coming forward now. Maybe we'll just let them state their names into the record for the sake of Hansard and then we'll proceed.

Mr Michael Goffin: Michael Goffin. I'm director of Great Lakes and corporate affairs for Environment Canada.

Ms Esther Bobet: Esther Bobet. I'm with the environmental protection branch of Environment Canada.

The Chair: Welcome. Proceed, Mr McClellan.

Mr McClellan: First of all, my apologies for not being able to get down there. I had hoped to be face to face with you. I appreciate your setting this up, because this is actually very effective. I thought I'd tell you a bit about who I am for a minute or two and then get into my presentation, which I believe you have a hard copy of.

I am the director general of economic and regulatory affairs at Environment Canada. In simple terms, my function is that I'm the chief economist and my group basically is responsible for using economic thinking, economic analysis, to promote the agenda and mandate of the department in terms of dealing with environmental issues. One of the issues we get into a lot is the area of economic instruments and the use of the marketplace to help us advance our environmental goals, including emissions trading.

What I thought I'd do for you today is just give you a brief overview of emissions trading from our perspective and what it is and what it isn't, and leave you with a few comments in terms of our views on the extent to which emissions trading as an instrument can help promote greater penetration of alternative energy and renewable energy sources. It's a fairly high-level presentation, but I certainly would welcome comments afterwards or questions, and my colleagues there from the Ontario region are here as well to support me in any questions you might have, subsequently.

If you turn to the second slide in my presentation, I ask the question "What is emissions trading?" It's important to understand that it is very much a regulatory framework, combined with flexibility. It is certainly an economic instrument but it's also a regulatory instrument. You need both, it combines both, and I'll explain that in a moment.

There are really two basic forms of emissions trading, if you will. The one form is often referred to as "cap and trade," where essentially what you do is you cap total emissions of a particular pollutant for a covered sector or for a number of covered sectors. You then allocate permits that are equivalent in volume to the cap of emissions. You can allocate in a number of different ways: you can give them away in a gratis allocation using different kinds of formulae, or you can auction them, which generates revenues, or you can combine them—gratis and auction—for allocation of the permits. Then you basically allow trading among the sources in the capped sector so that they can basically take advantages of the trading tool to help achieve reductions in a cost-effective manner. So that's cap and trade. Again, there's a regulatory element, that's the emissions cap, and then the trading component provides the flexibility for achieving the cap.

The second basic form I refer to as a baseline and credit system, where essentially what you do is, for each source of emissions you establish a baseline against which you assess their performance or their emissions

level, and if their emissions are less than that baseline—and here I'm speaking of a regulated baseline—that creates the credit. So the extent to which emissions are below the baseline creates credits, and those credits can then be traded or they can be banked. So you have another commodity that you can trade like you would an allowance system under cap and trade, but these ones are called credits and they're created in a slightly different way.

Then finally, of course, you can combine the two into a hybrid form. For example, that's certainly one of the approaches that's being taken in the Kyoto Protocol, where we have allowances for Annex 1 countries for GHG emissions. We have access to credits outside the Annex 1 countries through the clean development mechanism. It's very much the system that is being put in place in Ontario as well. It's basically a cap-and-trade system, combined with a baseline and credit system outside the cap sector. You have two basic forms of emissions trading, but both of them rely on a regulatory framework to back them up.

I thought it would be useful, in the next slide, to talk a bit about why emissions trading is potentially a useful tool in the context of achieving environmental or, in your case, particular energy objectives. First of all, it very much provides a least-cost approach to achieving a particular target, or at least it can, because it basically uses the marketplace to help you find the least-cost reductions. It's very much a broad-based horizontal tool. What it essentially attempts to do is equalize the marginal costs of reductions across the various sources. What happens is, investors, or those who have to find reductions, seek out in the marketplace the cheapest places to reduce emissions, including in their own operations or outside their operations, and the trading provides them the means by which they can do that. As it turns out, emissions trading can also be an advantage for government, because it can provide for lower administrative costs. For example, a cap-and-trade system to achieve a particular objective would probably be significantly cheaper to administer than a best available technology type of regulation, which tends to be very, very targeted and require a fairly heavy administrative burden. So there are advantages for the government as well.

Having said that, it's important to understand that this is an instrument—it's not an end in itself; it's a means to an end—and it may not always be the best instrument for the job. For example, if you are looking to target a particular type of action in the economy, you may not get that action if you use a broad-based instrument like emissions trading, because emissions trading is not a targeted measure. It very much lets the market find the actions that are the cheapest. You may get it, but you may not. You can't be sure because, as I say, it's not targeting the particular action you're looking for. It may not always be appropriate from an environmental perspective either, because emissions trading is probably not appropriate for problems that have fairly local effects—where you want to reduce the local effects.

Emissions trading, on the other hand, may end up not producing the kinds of emission reductions in particular localities that you want. For example, for global warming and climate change, it's very suited to the task, because that's a global problem. If you reduce GHG emissions in Canada, it benefits the global environment as much as a GHG reduction in Thailand. So it depends on the type of environmental problem you're dealing with, whether or not emissions trading is appropriate.

The next slide talks briefly about some of the experiences we've had with emissions trading. It's probably safe to say that the US has had the most experience with various forms of emissions trading. The one that's the most often cited and talked about, of course, is the US SO₂ acid rain emissions trading program. That was a cap-and-trade system. It turns out it was a very effective system, both in terms of achieving the objectives of reducing emissions, as well as doing it in a way that was much less costly than anticipated, for both industry and government. So it turned out to be a very effective instrument in the US. There are also other examples in the US, and I've listed some of them there as well. There's also a fair amount of experience in the US with credit-type systems.

1110

In Canada, I would argue there is fairly limited experience. There are a number of voluntary credit pilots: the pilot on trading and its successor, CACI, in Ontario in particular, as well as GERT, which is the pilot on emission reductions that focuses on greenhouse gas emission reductions. They're very much pilots and they're very much voluntary. They're sort of exploratory exercises in looking at how credit-based trading could work. They've been very successful in terms of learning about credit trading regimes, and there is a lot of interest in Canada in those pilots and in taking them further, but again, fairly limited in terms of their substantive application to issues like greenhouse gases or SO₂.

The other point I would make on this is, notwithstanding the limited experience in Canada, we have not only those pilots that are making an important contribution to moving forward in using this tool, but we're also very actively studying emissions trading as part of our climate change strategy. There's been a great deal of analysis and discussion around various options for using emissions trading to achieve our Kyoto objectives.

The next slide is focusing on the Ontario regime. As I said earlier, I don't want to go into a lot of detail about what the regime is, partly because I'm not sure I could because it's a rather thick set of rules with respect to how the system will operate. But, generally speaking, it is, as I said, a hybrid system that is comprised of caps for the electricity sector on NO_x and SO₂. Then there are provisions for credit regimes outside the electricity sector. As I said, it is a hybrid system.

I know this is where your particular interest is: they have also a set-aside for NO_x and SO₂ for qualified renewable and conservation projects. That set-aside is actually part of the overall cap for both NO_x and SO₂, so

to the extent that it isn't accessed by the electricity sector it's still a reduction that has to occur. So it's not like the credits outside the cap sector; it's part of the cap sector.

In that sense, there is a real incentive, and that leads me into the next slide, for those in the electricity sector to look for opportunities in those areas for emission reductions through investment in those renewable and conservation projects. So, certainly the set-aside will help promote these energy sources, and really the extent is simply a function of the costs of those reductions relative to the value of allowances, or relative to the costs of reducing emissions within the cap sector. So the extent to which they can find reductions in those projects that are lower-cost than trying to achieve them within the cap sector, they will seek out those opportunities and invest in them.

The second bullet is a caution that it may not be the most cost-effective approach, and this is really coming back to the point that emissions trading is not necessarily a good way of targeting particular actions in the economy. Its value is that it's a very broad-based horizontal instrument that allows the market to find the cheapest sources. The extent to which you try to use it to target particular investments tends to undermine some of its efficiency advantages as a broad-based tool.

Our view and experience has been that other tools tend to be a little better at targeting particular actions, such as targeted grant programs or expenditure programs, various types of tax incentives etc that can be used to target particular technologies or particular investments. Having said all that, of course, those two are not mutually exclusive, and indeed often we find that the two can be combined fairly effectively as well.

I'll leave it at that and certainly welcome any questions you might have.

The Chair: Thanks very much for an informative presentation. We'll start with the government side. We have about five minutes per caucus for questions and we'll begin with Mr O'Toole.

Mr John O'Toole (Durham): Thank you very much for your presentation. I just have a couple of questions. An earlier presenter, Jack Gibbons, was commenting, with respect to the federal government, that the minister might intervene if Ontario is not in compliance with the ozone annex agreement as it applies to coal. Clearly, the mandate of the Clean Air Alliance group is to get rid of the coal plants or coal generation.

My question really is pretty simple. From a federal perspective, if you look at Canada and the baseload across Canada, not just specifically Ontario, about 24% of Ontario's baseload is coal, versus Alberta, whose baseload is about 79% coal, and Saskatchewan is about 69% based on coal. I understand this is an Ontario agreement. I'm just wondering what measures the federal government is taking with respect to coal generation used in other jurisdictions in Canada. Do you have any view on that? It all comes down to economics. It all comes down to low-cost energy advantages, the economy, the sector as a cost of input.

Mr McClellan: I'll answer perhaps at a very general level. It may not be all that satisfying, and I certainly invite my colleagues in the region to add any details they might wish to add.

Generally speaking, the federal government is looking at the issue of coal, and not just coal but all energy production, in the context of climate change and all of its national environmental objectives, including clean air, from a national perspective. We are engaged with all of the other provinces where this is an issue, including Alberta, in looking at ways in which we can achieve our climate change and clean air objectives at the same time and looking at means by which we can promote clean coal technologies, as well as other means of promoting our objectives. We're certainly not singling out Ontario. Our view is, this is a national issue and we need to deal with it nationally. We're looking at all of the alternative tools that we have available to work with the provinces to achieve those objectives.

I don't know if any of my colleagues from the Ontario region want to add anything to that.

Ms Bobet: The only thing I would have to add is that under the Canada-wide standards activities that both the federal government and the provinces are engaged in, there is a multi-pollutant emissions reduction strategy that is being developed for the electric power generation sector. That is one area of that activity that's joint federal-provincial. That's being looked at for the sector in a broader range in terms of a number of pollutants coming from that sector. I don't know if it's focusing specifically on coal, but it's looking at the sector in general.

Mr O'Toole: The point I'm trying to make is, Ontario's baseload is pretty much nuclear, and when you compare it to our economy and our contribution to Canada, we're about 50% of the economy of Canada and as such would be disproportionately penalized by any short-term interruption in the infrastructure of that industrial sector, ie, power.

Are you confident that you see the marketplace opening and competition, the importance of having some kind of emissions trading system? I don't disagree with that argument at all, but allow them time to make appropriate investments or incentives for alternative forms, other kinds of tax tools to give Ontario time to really, let's face it, deal with this issue. We've got this capacity, about 24% tied up in coal. Those are assets worth \$5 billion to \$8 billion and we can't just write them off. It's that simple. Who's going to pay it? When they say the cost is going to be two cents a kilowatt—this is what Mr Gibbons said—I don't think that accounts for the debt you're creating. Just writing off assets and other strategies to get cleaner coal plants doesn't seem to be on, or any other alternatives; to allow them over 10 years to not just write off these assets. This is a basic economic argument.

1120

The Chair: The five minutes are up. If we could just have a quick response, please go ahead.

Mr McClellan: I think you've hit a very important issue, one that is very much at the centre of discussions on any of the air emission issues we're looking at, including climate change. The electricity sector does have huge assets, and we're certainly looking at ways in which we can meet those objectives, working with the provinces and the industry to ensure we're not writing those assets off. We're looking at it from the point of view of, how do we make the transition from where we are now to where we need to be, given the technologies we have and the technologies we could have?

The Chair: We'll move on now to the official opposition.

Mr Bradley: The first question I ask deals with one of the points you made in your presentation to us, and that is the effectiveness of pollution trading—I don't call it emissions trading, but pollution trading—in terms of local problems and in terms of smog. Would it be fair to say that in dealing with issues of smog, the trading of pollution credits is much less effective than it is in terms of dealing with the issue of global warming?

Mr McClellan: It's more difficult to design the system to take into account the need for dealing with the local impacts of those emissions. For example, with climate change you can basically design an emissions-trading regime around GHG emissions globally, whereas for smog what you may end up having to do is look at regional bubbles. In other words, you can establish, within a total cap for a sector, three or four regional bubbles within which you restrict emissions and allow trading within those bubbles. I think you've seen some of that discussion come out in some of the reaction to the Ontario proposal, particularly on the credit side, where we're looking at transboundary trading and whatnot. So it's more problematic in terms of the design, but it can nonetheless be more efficient than traditional, more hands-on regulatory controls, where you do source-by-source controls.

Mr Bradley: You have to deal with the United States, and Mr O'Toole, I think, brought a point forward in terms of dealing with other provinces. If the people of Ontario are going to feel the heavy hand of the federal government, as I think they should if the provincial government does not move appropriately, it would be of great advantage to know, at least for the people of Ontario, that the same heavy hand is being applied elsewhere in the country.

You were a bit vague in your answer to Mr O'Toole. What specifically are you going to require of, say, Alberta or Saskatchewan that you would be requiring of Ontario? In other words, are you requiring the same reductions, the same regime, as you would in Ontario?

Mr McClellan: I guess the reason I'm vague is because we haven't made any decisions and we're still in the process of working with the provinces and stakeholders, both on climate change and clean air, to try to find a way in which we can address our objectives on those two fronts. So the reason I'm vague is because we haven't put in place, or made any decisions on, specifics.

I think it's fair to say that we're going to find a national solution through those processes.

Mr Bradley: Do you have a concern that when you reduce NO_x and SO₂ in coal-fired plants, it allows coal-fired plants then to be utilized more and to burn more coal, and therefore to produce the 28 other contaminants that come from coal-fired plants? Are you concerned that those other contaminants, the 28 other contaminants, are going to increase significantly if the coal-fired plants are going to be allowed to be stoked up more frequently and perhaps more extensively as a result of reductions of SO₂ and NO_x?

Mr McClellan: Maybe I'll let you take the lead on that on Ontario, since you guys are more into the details of where we are on the Canada-wide standards in Ontario.

Ms Bobet: I suppose I could just reiterate that we do have concerns about all of the pollutants that come out of coal-fired power plants. In that context we do have the multi-pollutant emission reduction strategy, or MERS, under the Canada-wide standards for the electric power generation sector, wherein the federal government and the provinces are working together to address all of the pollutants, not just NO_x and SO₂.

The Chair: We're getting down to about 15 seconds, if you want any windup comments or a short one.

Mr Bradley: You were very generous previously, so I'll pass.

Ms Churley: Yes, perhaps I can make up for my last time here. I'm Marilyn Churley, the NDP environment critic.

I just wanted to ask—you understand, I believe, the purpose of this committee is to look at ways, not just in one area but, overall, finding alternative fuels, and ways to reduce energy consumption has become part of the mandate. I guess my question would be around that. You mentioned that you see emissions trading, if it's done right, as one part of a multi-faceted approach. I'm just wondering if you have any expertise in this area of looking at a whole multitude of approaches including, say, energy efficiency and conservation, just using far less power to begin with in a combination of a lot of different programs, including bringing on more green energy.

In that context, when we're looking at—as you mentioned and as I mentioned earlier to a previous deputant—the problem between increasing local pollution, which is a big problem for those of us who have pollution in our jurisdictions, and wanting to find programs that reduce overall emissions, would you see this as just one part of a multi-faceted approach?

Mr McClellan: I guess our view is that what you do is you need to have clear in your mind what your environmental objectives are and what your broader objectives are. Then you take a look at the suite of tools you have available and make the most use out of them. I think our experience in Canada, frankly, to date has been that we tend to fall back on the traditional regulatory approach and are very suspicious of market-based

approaches. I think we need to look harder at using those, because I think they can in some circumstances be more effective and we haven't given them full credit for their possibilities.

That's why we in Environment Canada are looking very closely at these issues in the context of our mandate and our program. I think other provinces and other jurisdictions are beginning to look as well, because these are economic issues as well, and the extent to which we can find much more cost-effective ways of achieving our objectives obviously helps the economic bottom line as well.

Ms Churley: Could you see the program here in Ontario as it exists now, though, the emissions trading, or as Mr Bradley says, pollution trading, being able to work economically should we take the recommendation that requires that there be a reduction in total annual emissions? That, as you know, is not part of the plan here in Ontario, which is a real problem, but I believe the concern around going in that direction is for economic reasons.

Mr McClellan: I think you've raised an interesting issue and it points to the obvious difficulties of a program that has a cap on sectors but then creates a baseline or a credit regime outside the integrity. From an environmental perspective of that kind of approach, it is fundamentally dependent on how rigorous that baseline and credit regime is. So if you're using it to offset potential economic impacts, that's a fair objective, but on the other hand the trade-off is that you may well be undermining your environmental objectives because you may end up not achieving the cap that you set for yourself. That's why I say I think it's important to set at the outset: what is your environmental objective that you want to achieve? Have the discussion around what the implications of achieving that are and how you can mitigate that, and then decide on the tools to get there.

But I take your point. It is a trade-off that you're entering into in either case in some situations.

1130

Ms Churley: You weren't able to give a definitive answer to questions around how the federal government would penalize, or whatever, provinces that don't meet their commitments to the US. Do you have any time frame or deadline? Does the government have any deadline, or the minister, as to when that could happen if provinces aren't complying and aren't meeting the standards, the agreement?

Mr McClellan: I'm sorry. I'm not too familiar with any of the timetables that are in the ozone annex itself. I don't know if anyone else is.

Ms Churley: We're just curious here if Ontario, for instance, has been given a deadline to meet that.

Ms Bobet: Under the ozone annex, the cap for NO₂ for the electricity sector of 39 kilotonnes must be met in 2007.

Ms Churley: In 2007, OK.

The Chair: Thank you very much. The time's up. We appreciate your presentation and your taking your time,

both being here at Queen's Park as well as from Ottawa. Technology does work and it's great to have you with us long-distance. Take care and have a good day.

COMMITTEE BUSINESS

The Chair: We just have the three presenters for this morning, but the committee does have a couple of other items that I would like to get tidied up so that committee members know where we're headed for down the road, particularly after Christmas. We also have a communications plan that has been faxed I believe to each office. We have a copy here and, if committee members are comfortable, it would be nice to have it approved as a communications plan for the committee and then we can move down the road with that, particularly in view of the fact that, as I understand where we're at with our interim report, it's in the process of being translated and will be presented to the Legislature next week, either Tuesday or Wednesday. So having a communications plan in place for that would be helpful.

Are there any comments on the communications plan as has been distributed by Ms Grannum? Anybody uncomfortable? Would anybody like to make suggestions?

Ms Churley: I'm going to admit in front of a TV camera that I did not have the opportunity, although I brought my copy with me, to study it in great detail. You know me; I don't want to pass it until I have a very quick look at it. So perhaps there are other members who have something to say. Give me a moment to look at this.

The Chair: It's along the lines of a basic communications plan adapted for this committee. Anyone else? Any comments? Any thoughts?

Ms Churley: In looking through it, it seems a pretty extensive communications plan for this committee. While I agree we should make every effort to publicize our work and what we're doing, I'm just not sure that—in a quick read of this, is the plan to try to achieve all of these things? If somebody could—

The Chair: These are all thoughts and directions that we can—

Ms Churley: These are all thoughts and directions that we can simply choose from and—

The Chair: —take advantage of. You may want to read the four strategies to get a feeling.

Ms Churley: The four strategies.

The Chair: Under "Communication Strategies" there are four that might be helpful, and then it is suggested, how far do we want to go with this as far as a budget? Do we want to look at clippings and that kind of thing? Are you comfortable with what's flowing in?

Mr Bradley: I'm comfortable with the way it is working at the present time. I see the main purpose of communication for me, as a committee member, and I can't speak for my colleagues, who are at a caucus meeting at this moment, but I look upon it as gathering information for us. The communication is out there so that people know what we're doing and can have input, as opposed to the committee engaging in extensive

communications itself. That would be my preference. I've certainly been pleased that people have heard about what we're doing and therefore have come forward to make presentations. I don't think we need a media extravaganza to tell the public what the committee is doing. Rather, I think the purpose should be to gather input from others. I think we should treat it as routinely as we would another committee, even though it's an important committee—another select committee. There is no need for an extensive budget for these purposes.

Ms Churley: Thank you for the opportunity to take another look at this.

I have to comment on strategy to create excitement regarding the launch of the interim and final reports. As good as the interim report is, I would say to our researchers that we're not making any recommendations in that report. It's just a summary of what we've seen and heard here. I wish us all good luck in generating a lot of excitement around that interim report, which of course didn't do what I'd hoped, and that is to make some initial short-term recommendations. It is simply a report of what we've heard to date, almost verbatim, organized in a certain way. Hopefully, the final report will be able to generate some excitement, because we will be giving recommendations, hopefully, with timelines attached to those.

Budget to be determined, and I take it we'll look at that on another occasion. I would just say right now that the idea of having a feature writer hired would not be within the realm of need for this committee. I guess I should be quite straightforward here, and I'm talking around it.

I don't want this to turn into a propaganda machine for the government. It's a good committee, and we're doing some very good work here. But my goals are to get this work done as quickly and as efficiently as we can, with public buy-in, of course, so that we can make the recommendations and actually get this stuff happening. That's my major goal here. I certainly agree that within that there's a need to publicize what we're doing and have the public involved to the extent we can in this sort of thing, which often tends to be very technical. The idea that we're going to be doing media hits left, right and centre, all over the place, and having a feature writer, I don't support that. I think that's far-fetched.

Mr O'Toole: I don't have a problem. There are in the four objectives here—I think it's important to engage the public, however that happens. If there were media, I don't think it should be a large budget, in any respect, but some courtesy things to engage the public and steer them toward a Web site that has the draft report and some reference points in it would certainly be appropriate for those sectors and individuals who want to engage in the process, because there is a lot of information and there are choices to be made. I think that's really all this committee's done.

As far as the initial criteria here of raising the committee's profile, that's not particularly that important. To inform the public about the activities—I think by

making some effort to do it, it's good public awareness. It's part of our role. Having the meetings here, and they can be carried, I suppose that's important. I do feel we have a responsibility to educate the public about choices, as the market opens, no question about it. Part of that will engage them in other little branches of the energy debate—about choices, when they see their bill, and they see that it's going to cost a certain amount for these decisions. We have a responsibility to do that. I think it will be a very important reference point, politically or otherwise, when the market opens. I really think people will be looking for more information about the future vision or planning line for governments.

So no big money. If we are doing something, I think we should do it for the public interest: we should be steering them to a pretty well-maintained Web site.

1140

Mr Hastings: Following up on Mr O'Toole's comments, what is the status of the Web site? Have you got anything going yet?

Clerk of the Committee (Ms Tonia Grannum): Yes, the Web site is up and running. People can find out about our agenda and find out about the meetings. There are links to Hansard. As soon as the interim report is tabled, it will be posted on the Web site. A lot of people do call my office—

Mr Hastings: That's www.html and on and on?

Clerk of the Committee: They can go in through the Ontario Legislative Assembly Web site and hit the links for committee and see the altfuels committee.

Mr O'Toole: We don't have a stand-alone piece? You have to go through the great big barrage?

Clerk of the Committee: Yes.

Mr O'Toole: I'd like something a lot more independent than that.

Mr Hastings: Could we look at what the costs would be to create it?

Mr O'Toole: I have one, so it can't be that expensive.

Mr Hastings: Alternative fuels.org or something.

Mr O'Toole: High school students do that.

Mr Hastings: That's my first comment.

Clerk of the Committee: I think Bob Gardner has a comment.

The Chair: Do you want to comment, Mr Gardner?

Dr Bob Gardner: Where we might run into trouble is that there is a sort of broader assembly policy. I think the assembly as a whole has a policy of a coherent and organized Web site and a committee having one on its own would need some arguing with the powers that be. You can make that argument.

Mr O'Toole: How about the Red Tape Commission?

Dr Gardner: It's not legislative. Having said that, what we can do, to speak to your point, Mr Hastings, is have a look at the design of it so that it's a little bit more front and centre. We can, as part of this communications plan, promote the Web site, so we can come back and look at those kinds of things.

The other issue that we'll return to is, there was some talk in the early days of the committee of using Internet

capabilities to do some interactive forums and some electric town halls and so on. That will require some specialized expertise that we'll need advice on, but all of that is doable. As the committee determines what its next steps early in the new year are, we can come back to you with some proposals on how to use those resources.

Mr O'Toole: How about having a link from our own Web site? All you have to do is put a button there.

Dr Gardner: You mean from each member's Web site?

Mr O'Toole: Yes, from each member's.

Dr Gardner: Certainly; easy.

Mr O'Toole: You talked about heightening the profile of the members. Without bias here—that's not my point—my point is we are seen as entry points. Marilyn, you're well known. It would be nice if people felt, fine, you're on the thing, here's where to get the stuff, right on your Web site or however you're linked.

Dr Gardner: Sure.

Mr O'Toole: That would be worth spending \$20 on.

Dr Gardner: There's no money involved in that at all. We'll send the URL by e-mail to all members of the committee. What you link to is your own business, but that's an excellent communications strategy, a great idea.

The Chair: Mr Hastings—oh, sorry.

Mr Bradley: I'll let Mr Hastings continue. He was still going on his point, I think.

Mr Hastings: That's reassuring and I'm glad to see we're starting to move in that area. I take a little bit of a different view regarding the feature writer, and I think I see why research has suggested it. It may be that if you're going to do some more broad-based Internet stuff, you need a qualified writer on a project basis to look at some of those issues, to write it up in such a way that it's understandable, non-propagandistic for the general public.

One of the key areas I think we should not miss is the younger generation who are Internet-communications-oriented. They get most of their information off the Internet and they do it quickly. Print is only what they take in school. I think we need to make sure we're capturing some of that market of the G generation, or whatever name you want to put to it. I think we need to make that effort, and that's why possibly Bob has suggested that. At least that's what I surmise.

If you don't want to do a feature writer approach, perhaps what we should look at is—and I've reiterated this before and I know maybe the assembly has a problem with the policy—we have interns here who work with the various political parties throughout a year, 10 or so; we've had them for a decade-plus. What would be wrong with attempting to get some co-op students from high school in the greater Toronto region or even from the members' ridings to come in for one or two weeks, if they were not non-Toronto-based, to look at that situation too?

I've used co-op students for many, many years and I find them extremely helpful. I think some other members have used them too in terms of giving them situations

where they can meet the public. Possibly, in the writing phase of your feature writer, then, we could get somebody from a writing course at one of the high schools or community colleges. I'll put in a plug for Humber. They have a school of writing. I know it's more fiction-oriented than anything, but if you want to be that creative, maybe Bob could come back with some more specifics on that.

Finally, I'm trying to grapple with the channel. We have, what, five channels here, Tonia, when you count the French, when you go from 51 or 52 through to 57? This is probably not Assembly policy either: should we look at having—until whenever the report is finished or at some phased enterprise of the select committee—a channel that really promotes what we're doing? Maybe you have to go back to the powers that be to find out.

I go through those channels and I see most of them—if you're up at midnight; I'm a night person—are blank or they've got the news announcement of what's coming on. I'm wondering to what extent we can get greater utilization out of one of the five channels for discussion of what we're doing in this committee.

Those are my suggestions.

The Chair: I'll respond to the first one and Tonia would like to respond to the second. It has to do with the source of the communications plan. You may remember that we've talked about it earlier, and it was suggested that we look to some of the communications people in the Ministry of the Environment. They were uncomfortable with doing anything with it. They did not feel it was in their place, so it was between Tonia's and my office to put this package together so that you'd know where the source is. It's not from the researchers. They tried to do it in as neutral a way as possible. It may be a little overboard with enthusiasm.

Clerk of the Committee: With respect to the TV channel, the parliamentary channel does display the ads, and we could put on anything we wish to promote our committee. But what happens is that when the House is sitting it's not on, and when the House isn't sitting, then it scrolls through, and when they go to the news, then it's not on. A lot of people find out about what the committees are doing by looking at OntParl because the ads are up. We could do any report or script that we want.

Mr O'Toole: Put the report on there. You can easily videotape that. I sit there and listen to it. There's an all-news channel that's all print and verbal.

Clerk of the Committee: OK, that's a different channel. That's not OntParl. But sure, we could look, if the committee wishes—

Mr Hastings: A final suggestion, Mr Chairman: the report talks about certain media, and the CBC's Quirks and Quarks is probably one of the best science sources or maybe the only science source we have in the country. Maybe we should make some contact with whoever the new host is. I don't listen to it frequently but sometimes I do, and they have some good material on there. Maybe there's an opportunity. It used to be Jay somebody; I can't remember.

Mr Bradley: Jay Ingram.

Mr Hastings: Yes. I don't think he's there any more.

Mr Bradley: It's Bob McDonald now.

Mr Hastings: Right. I think it's an excellent program for non-propagandistic—

Mr O'Toole: I just thought—quickly, if I may interrupt. It's rather unpleasant, but perhaps we could send pictures from Australia. John is going to be there, so he could—

Ms Churley: You're going to Australia?

The Chair: You approved it.

Ms Churley: I did?

The Chair: Yes.

Mr Bradley: We'll just ask Mr Hastings to at least send postcards to us from Australia when he's there.

Just a quick shot at this: strategy three and strategy four are what appealed to me the most out of the strategies. I'll leave it at that.

The Chair: OK. I gathered from the good discussion that one and two are low-priority, three and four are the—

Clerk of the Committee: Which group are we doing right now?

The Chair: The strategies.

Clerk of the Committee: Yes. Three and four we're already covering.

Interjection.

The Chair: OK. Anyway, some thoughts before the committee on communications.

I don't think it's something we need to have formally approved. It's just to give some general direction. The other thing: I think there was concern about the week of travel that we had originally tentatively set aside, and also to go and check with the clerk where we're at with looking at getting out there.

1150

Clerk of the Committee: No. Actually, we haven't looked any further yet.

The Chair: I believe it was Mr Ouellette who had a concern that I heard by rumour of the travel week.

Ms Churley: What week were we looking at? Can you remind us?

The Chair: January 28.

Ms Churley: And you're saying there's one member who has a concern with that week but that member isn't here to confirm that.

The Chair: Yes.

Ms Churley: So what do you suggest? That we wait until our next meeting to finalize the travel week?

The Chair: We could do that. It was only by rumour that I heard there was a problem. I didn't get it directly in writing or verbally, but I just thought I should bring it up here to try and ensure that we had as many people as possible to travel with us.

Ms Churley: Are you suggesting, then, because one of the committee members might not be able to make it, that we find—

Mr O'Toole: That's too bad.

Ms Churley: No, I think we should try to have everybody come, and we're not wedded to that week. I would suggest, then, given that he was here but he had to leave, that you check with him and revisit it and we'll determine the date at the next meeting. I hope we can find a week where every committee member is available.

The Chair: I guess there's no reason why it couldn't be moved down a week and one of the public hearings moved up to that week. I believe the subcommittee of the finance and economic affairs committee recently met to make their plans, and that creates a problem for some of us.

Mr Hardeman, I believe you're on that subcommittee. Maybe you'll share some insight with us.

Mr Hardeman: The subcommittee met yesterday and we're meeting again I believe tomorrow. We weren't able to finalize dates that would be appropriate for all the committee members because we will be doing the pre-budget consultation with discussions around the province. I'd hoped that by your next meeting we'd be able to clarify.

The Chair: Did you have our schedule in front of you?

Mr Hardeman: In fact, Mr Chairman, I would get that information as soon as it's available and get it to your office to make sure you can work it within the schedule here.

Ms Churley: Can I move, then, that we leave until the next meeting the scheduling of our travel and hearings? I understand the two go together. Hopefully, we will have all the information about other committees and we can schedule it at the next meeting.

The Chair: OK. We may have a full two hours and therefore it might take five, 10 minutes into the noon hour. Is that in order for you?

Ms Churley: Yes. We obviously can't decide it today, so that just seems to make the most sense.

The Chair: We're moving along. This is the end of November. We're looking at two months down the road. Should we be asking research or staff to be doing some checking on what we would want to be visiting?

Mr O'Toole: We may need a sub when we're travelling on a committee. Mr Hardeman has done a tremendous amount of work. Perhaps, in the event that somebody wasn't able to make it to one of the morning meetings, we'd already have a sub there.

The Chair: That week is an all-or-nothing week.

Mr Hardeman: Mr Chairman, I just wanted to make sure we clarified that. In no way did I insinuate that any committee member would not be able to make the meetings they were proposed to attend. My question related strictly to, that if the committee actively pursued that every committee member can make the meetings we will hold on the road, I have some concern that those of us who from time to time get to sub on the committee will never see the opportunity to be on the road with the committee.

The Chair: This committee is operated on a premise to make it as workable for as many members as at all possible. It would be a little difficult to substitute on the

road on this particular week, but we appreciate your comments.

Mr Hardeman: Thank you very much, Mr Chair.

Ms Churley: So then we're going to have the researchers look into some of the sites we might want to visit, and that would be based on the criteria of those areas we identified as our priorities?

The Chair: There may be a week or two that's not good to be travelling as it relates to where we're going.

Ms Churley: Absolutely. I think Jerry had a comment.

Interjection.

The Chair: Yes. He was just checking with me if our thinking was basically Alberta, BC and California.

Ms Churley: So you will then check those dates and we'll try to coordinate—

The Chair: Start making some contacts.

Ms Churley: Yes—times that were available with visits to those sites. OK.

The Chair: I guess the other is to start planning and to let people know the weeks that we are going to have hearings. Between Tonia and me, we've received a tremendous number of letters from different organizations. I think, in fairness to all of those, we need to accumulate a file of addresses so we can inform them of the hearings and if they would like to present.

If there's nothing further, committee adjourned.

The committee adjourned at 1156.

CONTENTS

Wednesday 21 November 2001

Ministry of the Environment	S-309
Mr Tony Rockingham, director, air policy and climate change	
Ontario Clean Air Alliance	S-312
Mr Jack Gibbons	
Environment Canada	S-317
Mr Stephen McClellan	
Ms Esther Bobet	
Committee Business	S-321

SELECT COMMITTEE ON ALTERNATIVE FUEL SOURCES

Chair / Président

Mr Doug Galt (Northumberland PC)

Vice-Chair / Vice-Présidente

Mrs Marie Bountrogianni (Hamilton Mountain L)

Mrs Marie Bountrogianni (Hamilton Mountain L)

 Mr James J. Bradley (St Catharines L)

 Ms Marilyn Churley (Toronto-Danforth ND)

 Mr Doug Galt (Northumberland PC)

 Mr Steve Gilchrist (Scarborough East / -Est PC)

 Mr John Hastings (Etobicoke North / -Nord PC)

 Mr John O'Toole (Durham PC)

 Mr Jerry J. Ouellette (Oshawa PC)

 Mr Ernie Parsons (Prince Edward-Hastings L)

Substitutions / Membres remplaçants

 Mr Ernie Hardeman (Oxford PC)

Clerk / Greffière

Ms Tonia Grannum

Staff / Personnel

Dr Bob Gardner and Mr Jerry Richmond, research officers,
Research and Information Services