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## **Official Report of Debates (Hansard)**

**Thursday 9 February 2006**

## **Journal des débats (Hansard)**

**Jeudi 9 février 2006**

**Standing committee on  
justice policy**

Energy Conservation  
Responsibility  
Act, 2006

**Comité permanent  
de la justice**

Loi de 2006 sur la responsabilité  
en matière de conservation  
de l'énergie

Chair: Shafiq Qadri  
Clerk: Katch Koch

Président : Shafiq Qadri  
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
JUSTICE POLICY**

**COMITÉ PERMANENT  
DE LA JUSTICE**

Thursday 9 February 2006

Jeudi 9 février 2006

*The committee met at 1302 in the Prince Arthur Waterfront Hotel and Suites, Thunder Bay.*

**ENERGY CONSERVATION  
RESPONSIBILITY  
ACT, 2006**

**LOI DE 2006 SUR LA RESPONSABILITÉ  
EN MATIÈRE DE CONSERVATION  
DE L'ÉNERGIE**

Consideration of Bill 21, An Act to enact the Energy Conservation Leadership Act, 2005 and to amend the Electricity Act, 1998, the Ontario Energy Board Act, 1998 and the Conservation Authorities Act / Projet de loi 21, Loi édictant la Loi de 2005 sur le leadership en matière de conservation de l'énergie et apportant des modifications à la Loi de 1998 sur l'électricité, à la Loi de 1998 sur la Commission de l'énergie de l'Ontario et à la Loi sur les offices de protection de la nature.

**The Chair (Mr. Shafiq Qaadri):** I'd like to call the standing committee on justice policy to order, please. As you know, we're here on day five in Thunder Bay, Ontario, for consideration of Bill 21, An Act to enact the Energy Conservation Leadership Act, 2005 and to amend the Electricity Act, 1998, the Ontario Energy Board Act, 1998 and the Conservation Authorities Act.

Just before beginning, I thought I might introduce the participants to the audience. My name is Shafiq Qaadri. I'm MPP for Etobicoke North and chair of the committee. To my left we have the members of the official opposition: Mr. John Yakabuski, MPP for Renfrew-Nipissing-Pembroke, as well as Mr. Norm Miller, MPP for Parry Sound-Muskoka. In the far corner, we have Mr. Howard Hampton, who is the MPP for Kenora-Rainy River as well as the leader of the third party, the NDP. On the government side, we have Mr. Michael Gravelle, MPP for Thunder Bay-Superior North, Mr. Jeff Leal for Peterborough, Mr. Kevin Flynn for Oakville, Mr. Bob Delaney from Mississauga West and Mr. Jim Brownell for Stormont-Dundas-Charlottenburgh.

**TOWNSHIP OF ATIKOKAN**

**The Chair:** I'd now like to invite our first presenter to come forward. That is Mr. Wilf Thorburn, chief executive officer of Atikokan Hydro, and entourage. Gentlemen, please be seated. I'll just advise you of the

protocol. You'll have 20 minutes sharp in which to make your entire presentation. If there's any time remaining—for example, let's say you go to 15 minutes—that remaining time will be distributed evenly amongst the parties for questions. I might respectfully just ask you to introduce yourselves, because these proceedings are recorded, they will be published and they do become part of the permanent record of the Legislature of Ontario. With that, I invite you to begin.

**Mr. Wilf Thorburn:** Thank you. As noted, my name is Wilf Thorburn, CEO of Atikokan Hydro. This is Warren Paulson, our CAO, and Mayor Dennis Brown. They're my support folks. If I get into any difficulty with the questions, they have the answers.

I would like to take this opportunity to really thank you for coming this distance. It's not often we get to speak to legislators, and it is appreciated when that can happen.

I'll kind of wander off doing my presentation. Our LDC does some things differently than a lot of LDCs, and that is, we co-operate a lot with our municipality and, where we can, we try to do things that are going to be for the common good, because the money comes out of the same wallet to pay for any services. So we try to join forces. That's why I'm presenting with the CAO and the mayor, and that is why some of this is more municipal than it is electrical.

I am the dinosaur making the presentation. We may as well get our identities straight. I'm in my 40th year in the electrical trade, so I've seen a lot of things come and go, and in my 16th year as manager of an LDC.

We, as representatives of Atikokan, take energy conservation and expenditures in general as very serious events. Most of the comments presented will be of a general nature and will hopefully lead to some changes in the legislation.

Unfortunately, the information on the Web was somewhat less than accurate, so my next paragraph doesn't really mean much. But I was glad to see that representatives of all three parties are here, because everybody has a responsibility for the mess we're in. My research indicated that at least two of the members were with the 35th Parliament, and those were MPP Witmer and MPP Kormos. That's important because of some things that the present Minister of Energy has said. MPP Hampton was with the 35th Parliament. I don't know about the rest of the people because I didn't do the research to that point.

I'd like to point out that while conservation and wise use of electricity are of paramount importance to us, we'd be ill-advised to waste our natural gas in very inefficient scenarios such as running generators. If the natural gas line ever gets to the Thunder Bay generating station, it will be the equivalent of heating 123,000 homes. You could heat 123,000 homes with the same amount of gas you're going to put through the generator. You can play with efficiencies to change that, but a significant amount of gas is going to go away from home heating.

During the month of January, the commodity portion of the gas bill increased from 29 cents to 40 cents per cubic meter. That's my gas bill. I just got it. This is just the beginning. As we speak, our customers are coming to us and looking to convert back to electric heat, because they realize that natural gas is in short supply. It's getting very expensive. It's going to be a Catch-22. If they have an old gas furnace, as opposed to replacing that, they're actively looking at going electric again. That's going to change the whole picture.

I'd like to point out that all parties have a responsibility to influence government policy. It's just not acceptable to point fingers and say, "We were left with a mess. We were left with a disaster." This is why I'd like you to listen to the members from the 35th Parliament, because a lot of the items that are being said today were said then. They may have been valid then, but they haven't been acted upon. We don't have any results to show from them. In the Minister of Energy's speech on February 3—at the back of the package you'll find pages 5 and 6 from her speech. These pages could have been taken from the 35th Parliament, from the energy policies of that day. They may be valid points and they may lead to a long-term kinder lifestyle, but they will not overcome the energy shortages we are about to encounter.

Energy conservation is certainly not to be taken lightly. It's important to realize early on that trying to make conservation prescriptive will be somewhat less successful than passing legislation to outlaw a SARS outbreak once it has occurred.

Some differences in the climatic regions of the province must be considered.

You will note a graph later on in the package that shows the consumption of three schools in two categories. The first set of data is from a new 20-room school built in 1999 to the most energy-efficient standards available. It's an R-2000 building. The second set of data is the combination of the consumption of two 10-room schools that the new one replaced. The 10-room schools were 1958 and 1963 vintage with single-pane windows. The new energy-efficient school uses 300% more energy than the two old schools used, and the explanation is very simple: The new building regulations prescribe the amount of outside air that must be introduced to a public building such as a school. The difference in energy displayed is only the electrical energy. I don't have access to the gas. The buildings are heated with gas, so that has probably increased as well.

Such examples will be even more widespread as we move forward. Our community is in need of major retrofit or replacement of several large buildings, including the town offices and the LDC garage building. You may be assured that energy efficiency will be at the top of our list, but please be aware that when adopting today's efficiency standards, being efficient and conserving energy will be at the opposite ends of the spectrum.

If you look at the pictures in appendix B, they clearly indicate that the present town hall is not energy-efficient and the North Star school is. On the town hall, you can see the ice built up on the roof. It's losing heat. On the North Star school, with the same slope of roof, that's not the case. The kilowatt hours for the town hall should be doubled, because it's only half the size. But if you double the inefficient town hall building, you're still using 50% of the energy that you'd be using in an efficient building, and that's something we have to really be aware of.

#### 1310

This piece of legislation spends more effort on penalties and red tape than on offering any meaningful guidelines.

Energy tracking and targets will consume a significant amount of time and resources that will not contribute to the use of less energy. Our municipalities operate in a climatic area with a minus-37-degrees-Celsius outside design temperature. Toronto is minus 17. It may simply not be possible to reduce any further without damaging equipment or shutting entities down. Rationing should not be confused with conservation.

We are missing the need to evaluate what is achievable and then making a best effort at improvement. Even the evaluation will be an additional tax burden to gather the data, audit the buildings and processes, and then start a capital program to meet the recommendations that would be the outcome of the above process. Government loans are usually more time-consuming to acquire and far more costly to put in place than debentures or commercial bank loans.

Municipalities tend to direct their priorities to local matters. They do an excellent job of providing services and meeting provincial and federal mandates. An atmosphere of cooperation and guidelines will produce more beneficial results than prescriptive reporting that will only take away from other tasks and not result in desired savings. The bill should include a section to outline the tools that would be made available to municipalities and perhaps even to the general public. Such tools could include heat/cooling air quality calculators that would allow instant analysis of areas as they become problematic.

Municipalities have, over the years, demonstrated the value of such entities as LAS—Local Authority Services—a purchasing group from AMO. This is a service that is used to assist in common items, but each municipality must be allowed to make its purchases to suit its specific needs. Being prescriptive in purchasing is going to be really bad.

Ministry guidelines should be specific to climatic areas when it comes to energy costs. An office respon-

sible to the ministry set up in various areas of the province could produce recommendations and services that would help municipalities and the province as a whole. Building codes could be adjusted to ensure maximum gain for energy dollars spent. To adopt ASHRAE standards without climatic consideration is not wise. It would be better to design based on the building need, not on a generalization. We should revisit the gold medallion standard for homes as well as municipal buildings. We may get into that later if there's more time.

We're just going to flip past the other examples. They are more for information for the future. If you have questions, I'll take them, but I'd like to make a few comments on the smart meters portion of it.

There are a couple of significant points that must be made clear. The first is that the meter and collection of data are the cash register and heart of the LDC. As with climate, there are vast differences in topography and communication ability within the province.

The second point I wish to touch on is that the government has opted to determine how to install smart meters but has not investigated the actual benefit of smart meters to the consumer. The EDA has adopted the position that it's not its mandate to debate the decision. It must ensure the LDCs are kept whole and keep their traditional or expanded business roles. I feel I have a moral obligation to point out that the value of the meter to a residential customer has not been thoroughly investigated. The EDA, by the way, is the Electricity Distributors Association. I think they presented to you earlier.

The security, control and timely circulation of the data are of utmost concern. As noted by other presenters, a lot of the definitions are not yet finalized, yet the smart meter entity is contemplated as having extraordinary powers that can be daisy-chained by the Minister of Energy to have significant and not necessarily positive aspects to the LDC business. Most LDCs have done some investigating and some minor planning as to how they could accomplish the government's desire. There will be LDC-specific issues that will require specific solutions. A case in point is that we have one substation that has six customers, three of whom are seasonal. It's not declining, but it exists. It will take a 400-foot tower to do a wireless interrogation of these meters. Land lines would require significant upgrades if we're going to use a hard method of getting to them. This is going to be a different cost and perhaps will need a different approach than in a more populous subdivision. At the end of the day, the LDC must have absolute and unfettered access to the data. The smart meter entity should then be able to collect and do whatever it is directed to do with the data. If that's how it's going to happen, we have to have first access to it.

I realize that the government has floated \$200-per-meter costs. If smart metering is actually time-of-use metering, then this will be understated. My estimate would put the cost at closer to \$1,000 per meter by the time the dust settles. We have 1,700 customers, so the

cost will vary from \$340,000 to \$1.7 million. The book value of the LDC is \$2.1 million. If my estimates turn out to be accurate, we will have a cash register that is 80% of the total value of the existing LDC. If the government is correct, it will be 17%—still a very expensive cash register. This will lead to bridge financing issues that should perhaps be addressed in the bill. Cost recovery through rates only works if you have the working capital to fund the cost. It should be noted that the existing meters have a value of less than \$35 for residential settings.

Another item that seems to have escaped the analysis is how many people will be able to benefit from the smart metering database. I would estimate that over a third of the population in Ontario will not be able to access data from a smart meter installation if they want it. People in rural areas still on party lines will not have immediate access, nor will those without phones or computers. If part of the benefit is that people can find out what they used yesterday, then a significant number of people will be paying for a service they cannot use.

Since the government has gone down this path without a clear benefit analysis but rather under a request for implementation, the co-operation of all will be essential in order to have any chance of implementation.

Atikokan Hydro has done some preliminary investigation as to how we might install and facilitate the advancement if legislated to do so. We know the height of the tower required, because we've done that investigation.

Given the urgency of energy costs in the lives of all of our customers, one really has to question the motives of such a huge investment that will be borne by surviving customers for years to come. Many LDCs will not have the cash flow to purchase either the services from an SME or the portions that must remain the LDC's responsibility, and will either be required to raise rates in advance of the investment to be able to make the investment or will require bridge financing from the legislators. The shareholder is not in a position to provide the necessary cash, and the general economic condition of some LDCs will not permit commercial financing without, once again, significant rate increases.

I'd like to end it there and leave some time for questioning. People can go through the rest if they wish.

**The Chair:** Thank you, Mr. Thorburn. Absolutely. We have six minutes or so in total, and we'll begin with the official opposition. Mr. Yakabuski.

**Mr. John Yakabuski (Renfrew–Nipissing–Pembroke):** Thank you very much for your presentation today, gentlemen. It's good to see you again.

We have your submission on smart meters, and we may get to that in a minute, if we can, but I want to ask you a couple of questions. Today the government announced that they would continue with the cap on industrial electricity prices. After ignoring the plight of the north for two and a half years, they've been forced into some kind of action. But given that they're going to continue with the cap into 2008, they can't possibly have electricity at that price and continue with their ill-

thought-out coal policy. It's impossible. If we're going to be selling power at that price, we can't be selling it with natural-gas-produced power. It isn't feasible. Is it time for this government to put to rest their ill-thought-out coal policy and start cleaning up the coal plants instead of shutting them down?

**Mr. Thorburn:** Definitely. We have a moral responsibility as a society to look at the value that we've got in these plants. We've got \$750 million or \$800 million in the one at Atikokan; we've got I don't know what at this one. The ones at Lambton that we've invested in are some of the cleanest in the world. So we have to look at what we have, clean up what we have if it needs it, and then we should maybe look at exporting that technology to countries that don't have the advantages of the technology that we have.

1320

I believe it has been stated that the cost of producing from the coal plants is about 3.2 cents a kilowatt hour. This cap isn't all that good; it doesn't bring the price down to where it normally—well, perhaps they've changed it. If it's the existing global adjustment, it does help, but our industries are still suffering. We have to get back to using the affordable power that we have, even if it goes to 3.8 cents with pollution abatement equipment on it.

**The Chair:** Thank you, Mr. Yakabuski. We'll now move to Mr. Hampton.

**Mr. Howard Hampton (Kenora–Rainy River):** I wanted to ask you first a question about the whole smart meters initiative, because what's very clear is that the government talks about energy efficiency and energy conservation. What this government essentially means is smart meters.

You've pointed out, I think, some very good practical things. One thing I'd like to ask you is this: In your customer area, how many people, percentage-wise, would you say have summertime air conditioning installed?

**Mr. Thorburn:** Some 15%, maybe moving towards 20%. It used to be about 10%, but it is creeping up a little bit. The minority of the population has central air.

**Mr. Hampton:** Okay. How many days in the summer would you say they use that?

**Mr. Thorburn:** I've had central air for a number of years and for a number of years it's never been turned on. Last summer it was probably on 20 or 25 days, but there have been many summers that I've never even needed to turn it on.

**Mr. Hampton:** What strikes me about the government's position here is that in northwestern Ontario we actually have an electricity surplus. Do you know what that electricity surplus is?

**Mr. Thorburn:** Yes. Well, it's getting bigger by the day. If you look at Kenora, it used to be a 65-meg load. They're now down to a 20-meg load. They've had an 80% conservation reduction.

**Mr. Hampton:** How did that happen?

**Mr. Thorburn:** When the paper mill went down, they ended up with 65 megs of spare power. We can generate

about 1,400 megs. You have to knock the co-gen off because Fort Frances can't afford to run it anymore. So knock 100 off that. So we can generate—

**Mr. Hampton:** What kind of co-gen is that?

**Mr. Thorburn:** It was a natural-gas-fired co-gen.

**Mr. Hampton:** They can't afford to run it as a co-gen.

**Mr. Thorburn:** They can't afford to run it as a co-gen on natural gas. They can't get a supply—

**The Chair:** Mr. Hampton, with regrets I'll have to move on to the next side, to the government, and that is Mr. Gravelle.

**Mr. Michael Gravelle (Thunder Bay–Superior North):** Welcome, Mr. Thorburn, Mr. Paulson and Mayor Brown. It's good to see you here. I, for one, am very pleased that the government announced an extension of the rate cap for Ontario Power Generation's large industrial customers. That's vital and it's something I was speaking about a couple of days ago, about how important it was to bring that stability to those customers. I know there's more that needs to be done and I'm hoping that will be coming forward shortly. I'm pleased about that.

But I'm curious, Mr. Thorburn. You were talking about the 35th Parliament, and I must admit, I want to be sure—is that the Parliament from 1990 to 1995?

**Mr. Thorburn:** Yes.

**Mr. Gravelle:** Mr. Hampton was a member of that.

**Mr. Thorburn:** Yes. Some of the members did get some flak for that.

**Mr. Gravelle:** But I was hoping you might expand a bit, because you had a clear point you wanted to make about that. There are some clear comparisons between what's happening now. Is it that the more things change, the more they stay the same, or—

**Mr. Thorburn:** That's about it. There were a lot of really good initiatives that came out of that Parliament, but the problem was that they didn't produce the results that people thought they would. That's why it was important to me to present the fact of the schools, with the high energy-efficiency building, and one that's really inefficient is much cheaper to operate. So conservation should have worked with the building code. It didn't.

The scary part is, if you look at pages 5 and 6 of the Minister of Energy's speech delivered on February 3, you'd almost swear that plagiarism was involved. It's almost word for word of what the policy was in the 35th Parliament. I think the people who had gone through that realized that they had some very good ideas, and there's nothing wrong with these ideas. We just shouldn't concentrate on them, because they're not going to produce the results that we need. If there's something that we should strive towards—it's motherhood and apple pie and it's something we really should strive towards: We've got to use less energy. We have to use it more efficiently, but conservation is not going to be the answer.

**The Chair:** Thank you, Mr. Gravelle.

Thank you as well, Mr. Thorburn and your colleagues Mr. Paulson and Mayor Brown, for your deputation on

behalf of Atikokan. We received your written submission and we thank you for that as well as your presence.

**Mr. Thorburn:** Again, thank you for coming. We appreciate seeing you.

#### COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA

**The Chair:** I would now like to invite our next presenter, Mr. Robert Huget, accompanied by Mr. Gary Bragnalo and Mr. Steve Boon.

A number of mentions have been made of the 35th Parliament. I'd like to advise members of the committee that we have in front of us a former legislator. Mr. Huget is the former MPP for Sarnia in the 35th Parliament from 1990 to 1995. We welcome you.

I would invite committee members to resume their seats in order that we might begin.

**Mr. Bob Huget:** I appear to have had an ability to clear the room in some way, shape or form. I don't know why that is.

**The Chair:** All right, Mr. Huget. Please begin.

**Mr. Huget:** Thank you, Mr. Chairman and members of the committee, for the opportunity to appear before you today on what indeed is a very important issue in the province of Ontario, to its industry, consumers and the like.

My name is Bob Huget, and I am administrative vice-president of the Ontario region of the Communications, Energy and Paperworkers Union of Canada, the CEP. I am joined today by Mr. Gary Bragnalo, president of CEP Local 39, and Steve Boon, president of CEP Local 40, both of Thunder Bay.

As our name certainly attests, CEP represents people who work in the oil, gas and petrochemical sectors, in telecommunications, in the media and in forest-based industries. We represent 150,000 members across Canada, some 50,000 of whom live and pay taxes and hydro bills right here in Ontario.

I want to go on the record with you that CEP has been a leading proponent of energy conservation. In fact, we have developed an extensive energy policy which, among other things:

- (1) supports implementation of the Kyoto accord;
- (2) calls for a reversal of the trend to put crucial energy delivery systems in private hands;
- (3) demands that electricity pricing and policy decisions remain in public hands and be determined in the broad public interest and not by so-called free market conditions;
- (4) proposes a renewed emphasis on conservation policy, including retrofit programs for buildings and industrial environmental audits to reduce waste and enhance efficiency that would also include revisions to the building code, and I notice that revisions to the building code are missing in Bill 21; and
- (5) calls for the expansion of the network of local electrical and other utilities to ensure sustainable energy

supplies, provide an increasing number of good jobs and underpin local economic strategies.

For those of you who may be interested in knowing more, you can access our complete energy policy document by visiting our website at [www.cep.ca](http://www.cep.ca).

I wanted to highlight those portions of the policy for you today because I think they are the most relevant to your deliberations. I want especially to pursue and expand on point number 5 and how, in our view, none of these discussions should be held in isolation of the economic reality facing Ontarians.

With all due respect, the overall impression we have of the Ontario government's energy policy generally, including Bill 21, is that it ignores the immediate needs—indeed the crisis level needs of a vast section of the province. Don't get me wrong. Don't misunderstand me. There is probably not a single person in Ontario who does not support energy conservation, and that includes every last member of CEP. We believe and promote cogeneration initiatives in our industries, and our members in forestry especially understand the need for biomass energy production. We also note that Bill 21 is silent on both of those issues. Bill 21 and the government are also alarmingly silent on the much more pressing issue of energy pricing, especially as it affects consumers and workers in northern Ontario.

There is a crisis in this city of Thunder Bay, and in Kenora, and in Red Rock, in Dryden and in Sault Ste. Marie, and in every single community in northern and eastern Ontario whose economic survival depends on the forest industry. In our union alone, within the last few months more than 3,500 people have lost their jobs because of this crisis. Mill closures and cutbacks in the forest sector, according to economists, have put another 12,000 to 15,000 jobs in jeopardy in the province of Ontario. For the record, many of those jobs that depend on a vibrant forestry sector are in the metropolitan Toronto area.

#### 1330

There is real hardship being faced by families in mill towns right across the northern and eastern portions of this province. City tax bases are being eroded, so public services are already suffering, real estate values are collapsing and local businesses from pharmacies to gas stations are in jeopardy, but we see nothing from the Ontario government to give people hope.

We fought for more than a year to have the government convene all stakeholders to come up with solutions. Finally, Premier McGuinty appointed a representative group, calling it the forest sector competitiveness council, and I am proud to say my union played a leading role in the work of that council and our regional vice-president, Cec Makowski, was one of the signatories to its final report, released almost six months ago.

More than anything else, that report identified one overriding reason for the crisis being faced by mill towns and our members: high energy costs. Every single company that has closed down operations in Ontario in the past year has cited one overriding reason for the closure:

high energy costs. The Northern Ontario Municipalities Association, or NOMA, has repeatedly cited one overwhelming need to revitalize our towns and the economy in the north: relief from high energy costs. Through the work on the council, through direct meeting with the Minister of Natural Resources, through letters to the Premier and through briefs to the Legislature, CEP has identified one overwhelming and urgent need from the government of Ontario: relief from high energy costs.

We have proposed the creation of a special economic zone in northern Ontario, but the government has been silent; in fact, it has been worse than silent. Consider this: Just last week, Minister Ramsay had the nerve to blame workers for the crisis in northern Ontario. Within hours of that astonishing statement, the Premier himself appeared on CTV news to say that he now believes his so-called forest industry relief policy isn't working. I cannot begin to describe the depth of frustration and anger in the ranks of our membership over those two statements and over the callous inaction on the part of the government.

The day General Motors announced job cutbacks in Oshawa, Ontario, Premier McGuinty went on television to ask GM to reconsider its decision. The day Cascades closed its mill in Thunder Bay: total silence. The day Abitibi Consolidated, Bowater, Domtar, Norampac, Smurfit-Stone, Weyerhaeuser and others gave our members the pink slip: deafening silence.

It's little wonder there is a movement in the north for joining Manitoba. That more than anything personifies how angry, frustrated and ignored people are feeling.

As members of the Legislature, you have a chance to make a difference to the people of Thunder Bay and northern Ontario. I urge you to continue your important work examining energy conservation, but don't stop there. Examine conservation of good-paying jobs, the economic conservation of a vast region of this province and the conservation of an important way of life to tens of thousands of people.

We'd be glad to take your questions.

**The Chair:** Thank you, Mr. Huget. We have ample time for questions. We'll have about four minutes each. We'll start with you, Mr. Hampton.

**Mr. Hampton:** Thanks very much for your presentation. The Ontario Power Authority, for its power estimates, says that this government's much-ballyhooed smart meters initiative might reduce electricity consumption by 500 megawatts. A lot of local distribution companies—Thunder Bay Hydro, Atikokan Hydro—think it will cost \$2 billion. In other words, the government will spend \$2 billion and get a 500-megawatt result.

I just want to go through some numbers with you. When the Kenora mill was shut down, that was 45 megawatts, I believe.

**Mr. Huget:** Yes.

**Mr. Hampton:** That's what we heard. In Dryden, they shut down a sawmill and a paper machine, and that was 10 megawatts. The Thunder Bay Bowater pulp mill was

another 10 megawatts that will go; Red Rock, Norampac, 10 megawatts; Cascades, three paper machines, 30 megawatts; Terrace Bay, 10 megawatts; and then the ERCO chemical plant, five megawatts. So just in northwestern Ontario, I've added it up, the people of northwestern Ontario have already 120 megawatts of electricity that is available and can't be used or shipped to southern Ontario; it can't be shipped anywhere. But I estimate it's about 3,500 jobs.

If the government is willing to spend \$2 billion to get 500 megawatts, would it have cost anywhere near \$2 billion, would it have cost even \$1 billion or would it have cost \$500 million to sustain some of those jobs since it involved 120 megawatts of electricity? It seems to me the government has no problem throwing \$2 billion down the drain on smart meters, but just a fraction of an investment and a change in electricity policy would have sustained a lot of jobs and we still would have had an electricity surplus in northwestern Ontario.

**Mr. Huget:** Like you, I am a little bit confused as to the emphasis on smart metering, and I will come back to that in a moment. But you're absolutely right. When you look at the number of closures and the shutting down of facilities that lead to generating capacity, you would have thought that indeed a fraction of that amount of money would have been required to keep those facilities running. I wouldn't have the exact detail, but I believe it would be far less than the \$2 billion on smart metering.

The smart metering initiative itself sort of leaves me scratching my head. Frankly, who's going to pay for the smart meters? What happens to the cost? We know there's a cost to individual homeowners, but I have a hunch there's going to be a cost to municipalities. I would hope that what I am seeing is not only talking about smart meters in the middle of an energy crisis that's caused by government inaction on other issues, but that we're not also talking about that as well as municipal downloading to municipalities that are broke now.

Bill 21, frankly, in the area of sustaining the economy of northern Ontario, dealing with the structural energy problems in the industry in this area of the province and others, doesn't come anywhere near dealing with that. You could probably spend \$2 billion in a much smarter way.

**The Chair:** We'll now move to the government side. Mr. Delaney.

**Mr. Bob Delaney (Mississauga West):** Thank you very much for coming in and for a very interesting presentation. I have a couple of what I hope are very short questions. I'm sure you can probably answer them in a few words. Is the global demand for pulp and paper rising or falling?

**Mr. Huget:** That's a subject of debate. I would suggest to you that I don't believe it's increasing. I think it's fairly stagnant. I wouldn't suggest it's a growth industry.

**Mr. Delaney:** Does the value of the Canadian dollar affect the financial health of the mills in the area?

**Mr. Huget:** Yes, the value of the Canadian dollar does affect all export products, but I need to remind you

that we've had dollar values like this before, if I go back into the 1990s, and mills were sustainable. There is a combination of events here that are leading to the utter devastation of industry, which would include the cost of fibre, the weak US dollar or strong Canadian dollar, whichever way you want to look at it, and, time after time, high energy costs.

**Mr. Delaney:** From your perspective, because of course your members are where the rubber meets the road in the pulp and paper industry, what portion of retained earnings have the mills in the area invested in R&D and in upgrades of plant and equipment to remain competitive in the last 10 years?

**Mr. Gary Bragnalo:** I work at Bowater, and in the last 10 years, they spent a pile of money there—\$200 million on a new boiler about four years ago. Probably since 1990 they've put in the TMP plant, water quality. They've been upgrading steadily. They have put a lot of money into that plant. They shut down A mill a couple of weeks ago.

1340

**Mr. Delaney:** To your knowledge, are there regions in North America where the price of industrial electric power is falling?

**Mr. Huget:** To my knowledge, we are, I believe, the second-highest in North America, and I'd have to look at a figure between Arizona and Ontario. That's what I know.

The fact of the matter is, we were the lowest jurisdiction in North America for the longest time, and we are now either number two or number one in energy cost. The issue about whether or not companies sink research dollars into facilities and whether they sink capital dollars into facilities depends on the structural economic conditions in that jurisdiction. And when you are facing, frankly, energy pricing and fibre costs that would make any investment questionable unless those structural issues are dealt with, the add-on investment doesn't flow.

**Mr. Delaney:** Thank you.

**The Chair:** Mr. Gravelle.

**Mr. Gravelle:** How much time do I have? About 30 seconds?

**The Chair:** A minute 20.

**Mr. Gravelle:** Thank you very much for your presentation as well. I presume that you agree that the announcement today about the extension of the rate cap is an important one. It's certainly one step that needs to be taken.

But what I actually wanted your thoughts on was the concept of regional pricing, which is one that I've been talking about in the past, and I presume you've got some thoughts about it as well. I'm curious. It has certainly been difficult for me to win that battle so far, but it's one that I've discussed down at Queen's Park. So what are your thoughts on that?

**Mr. Huget:** We are, as I said earlier, proponents of a regional pricing policy, in particular around northwestern Ontario and northern Ontario. We think it can be a tool for economic development and it should be, and it's one

that could be used. You have excess generating capacity here that is landlocked, frankly; it can't go anywhere. There are limitations in the grid and it sits here, of use to no one. I think that economic lever should and could be used.

The announcement, by the way, for the record, is nothing more than a continuation of the status quo. Under the status quo, we lost 3,500 jobs, and facilities closed every other day for weeks. So I would suggest to you that today's cap is nothing more than the status quo, and under the status quo the gentlemen to my left and right are cleaning out their lockers at work and looking for new jobs.

**Mr. Gravelle:** But if the cap was lifted, of course, it would have gone up.

**The Chair:** Thank you, Mr. Gravelle, for your questions and comments. I apologize for intervening, but now we move to the opposition side.

**Mr. Yakabuski:** It seems like you were getting the excuse list from the government side as to why they can't do anything to assist in the crisis that the north, in particular the pulp and paper industries, is facing. They don't want to talk about that price cap announcement today. For the last two-plus years, the government has been moving to saying it's going, and only a few short weeks ago—a couple of months at the most—Minister Duncan said, "Absolutely not. It is going; we are removing that." It sent such a discouraging signal to people in the industries that their position was, "Not only are we not going to invest here; we're going to start to pull back on the investments we have."

Now we get a totally different announcement today that's been brought on by pressure from people like yourselves and the opposition parties. But their announcement is basically flying by the seat of their pants. They don't know what to do in electricity. I would suspect, very soon—because now they've sent the signal out to any of those people who were going to invest in the generation of electricity, "Sorry. You're not going to make any money here in Ontario." So the idea of building gas plants has now become less likely. I think you're going to see an announcement quite soon that this government has finally come to its senses, realized it was totally wrong, never investigated, never did anything, never truly looked at the options and the ramifications of their decisions, and they'll be revisiting their coal decisions.

But 61,000 jobs have been left in the wake of their dallying and failure to take proper measures, many of those, an unfair percentage of those, in the pulp and paper industries up north. What has this government been doing for the past two years? Has it simply had its head in the sand?

**Mr. Huget:** I wouldn't want to comment on the position of the government's head—I don't think that would be wise—but I certainly would say that there definitely has not been, in my view, a meaningful, sincere understanding of the magnitude of the problem. There has been a reluctance to step up and address the issues, for whatever reason. There has been, in some cases,

ignoring of obvious solutions that would provide much-needed help to a lot of industries.

I can't begin to comment on what would be behind that from a government's-thinking point of view. All I know is that we've been asking for the energy pricing issue to be addressed—so have many others—for months and months and months. We see little, piecemeal announcements like the continuation of the status quo, which cost us 3,500 jobs, or smart meters, which no one really knows who is going to pay for, or conservation initiatives that do not contain building code amendments, and all kinds of regulation. Bill 21 is regulation. There is nothing in the bill on legislation. It's pages and pages of regulation that don't deal with the crisis.

I would say to you that someone in government is not listening to the people of this province who are facing a dire circumstance. There are ways to deal with the problem. This province needs an electrical policy, an industrial policy and an economic policy for the rest of the province, including the north, that is intertwined and starts to move Ontario as a jurisdiction ahead, not picking the pieces up that have fallen backwards.

**The Chair:** Thank you, Mr. Yakabuski, for your questions and comments. Gentlemen—Mr. Huget, Mr. Bragnalo, Mr. Boon—I'd like to thank you for your deputation and written submission on behalf of the communications team of the Communications, Energy and Paperworkers Union of Canada. Thank you for your presence.

**Mr. Huget:** Thank you so much. I appreciate the time to appear.

#### SHARON KOZAK

**The Chair:** I would now invite our next presenter, Mrs. Sharon Kozak, who comes to us in her capacity as a private individual. Ms. Kozak, I remind you that you will have 15 minutes in which to make your full presentation. As you've seen the protocol, any time remaining will be distributed evenly among the parties afterwards. I invite you to begin now.

**Mrs. Sharon Kozak:** Good afternoon, Mr. Chair and committee members. Thank you for coming to Thunder Bay and for hearing me today.

My name is Sharon Kozak and I'm a resident of Thunder Bay. My presentation today is really just my own personal view. However, in speaking for a large cross-section of other Thunder Bay residents, I hear that they have the same view, which is that smart meters are only going to create a different peak time than we have now. People still have to do the same amount of dishes, laundry and other household chores. So the meters are not going to conserve energy at all; they're just going to move the use to a different time of day.

People who are already very busy lead busy lives. They don't need to be stressed out more by being forced to do their household chores late into the night. I wonder, then, where does that leave people who work nights and shift work? They wouldn't be able to take advantage of

the smart meter, because they would have to be doing their household chores outside the time.

What I see in the news of the pilot program, the monthly cost of the meter is going to be more than the savings to the consumer. Whatever the cost of the meter—whether it be \$250 to \$300 or whatever it is—is the monthly charge going to be removed when that amount is reached? If not, are consumers going to have the option of buying the meter outright?

In fact, I wonder why the consumer is being charged at all. If the energy board, the province and/or the hydro companies want to change the meters, then the cost of doing so is just the cost of doing business. I compare that to the case of, say, a gas station wanting to install new pumps. They're not going to charge the consumer a rental fee when they go to fill up their vehicle.

There are many ways to conserve energy. One simple way might be to mandate all private, municipal, government, schools, office buildings etc. to turn off all the lights, computers and other office equipment during non-working hours because in my travels, I've noticed that this isn't being done.

A minor issue that I'd like to speak to is the rate that consumers are paying for the lost electricity in the lines. When a consumer diligently tries to keep the energy use under the prescribed kilowatt hour limit for the lower rate, why do we pay the higher rate on the hours over the limit when those hours occur because of the adjusted calculation for loss of electricity through the lines? In fact, I don't think the consumer should be paying for this lost electricity at all, much less at the higher rate. Again, I could use an example of a gas station. If the gas tanker comes to fill up his tanks and he spills some, he's not going to charge them for the spillage.

In closing, I would just like to thank you again for hearing me today.

1350

**The Chair:** Thank you, Mrs. Kozak. You've left a generous amount of time for questions. We'll have about five minutes each, and we'll begin with the government side.

**Mr. Gravelle:** Ms. Kozak, thank you very much for appearing. I should probably tell the members of the committee that Mrs. Kozak is my constituent. We sat down, what, about two weeks ago, Sharon? Sharon expressed concerns and interest in this particular legislation and other matters as well, which we're trying to get responses for you on. I'm just grateful that you came forward. I hope you feel it was a worthwhile exercise.

**Mrs. Kozak:** Yes.

**Mr. Gravelle:** Is it fair for me to say, though, that you do not feel confident that the smart meter itself will be a valuable tool in terms of being able to manage the use of energy in your home, because of the fact that in many ways it's a timing issue, a question of when it's used? Maybe some of my colleagues who are more wise about this can speak with you after me, but does that sum it up, that you haven't got a level of confidence in that?

**Mrs. Kozak:** Yes.

**Mr. Gravelle:** I would invite any of my colleagues—maybe Kevin could speak to you as well. Anyway, I was very keen to have Mrs. Kozak appear.

**The Chair:** We have a speakers' list. Mr. Delaney, and then we'll move on.

**Mr. Delaney:** I'll make this one pretty short. Thank you very much for an interesting and actually very insightful deputation. Just to give you a little bit of context, I have the first smart meter in my neighbourhood, which was a demo program by my local electricity company. The purpose of the program is basically to shift the load consumption. For example, the management printouts that you can either get mailed to you or on the Web allow you to see when you're consuming the electricity and the value of taking your dishwasher or your dryer and just pressing the two-hour delay switch. The difference between running it during the late afternoon or early evening and the late evening does make a difference. You can actually see it on your bill.

It was an observation, not a question. I believe Mr. Flynn has a question for you.

**Mrs. Kozak:** I was just basing my view on what I saw on the news regarding this pilot program. It was stated there that the saving was \$1.36 a month for these people, and the cost of the meter is going to be greater than that.

**Mr. Delaney:** Well, I saw them install it in my house. It took them a minute and a half to do. Like all electronic components, as volumes of them are installed, you can expect their cost to drop exponentially.

**Mr. Kevin Daniel Flynn (Oakville):** As we've travelled around the province, we've heard from all sorts of people from all walks of life. Yesterday, we were in Chatham, and they'd had a pilot project done down in Chatham. It appears from the report they gave us that it was quite a successful pilot project. It gave us some evidence that some of the savings we're seeking to find are in fact being found. So you're not opposed to the principle of having smart meters; you need some proof that these things actually are going to pay for themselves and provide a dividend in savings, in energy and in dollars for you personally.

**Mrs. Kozak:** Yes.

**Mr. Flynn:** I think that's fair. I don't think there's anything—

**Mrs. Kozak:** Of course, the savings should be greater than the cost.

**Mr. Flynn:** But you would agree that something needs to be done about energy consumption in Ontario that hasn't been done in the past, and that this government is attempting to do something. You just need more confidence in the results.

**Mrs. Kozak:** Yes.

**Mr. Flynn:** I think that's a fair presentation.

**Mr. Jeff Leal (Peterborough):** Thank you very much, Sharon, for being here. I can assure you that my colleague to my right here, Mr. Gravelle, is an effective spokesperson on behalf of your concerns.

I just want to ask you about your own personal activities in your own household to save electricity. When you go across Ontario and talk to people, a lot of good ideas come about through just people in their own homes having innovative ideas. If you could share with us—you're obviously interested in this issue and very diligent, and I'd just like to hear your own in-house activity.

**Mrs. Kozak:** We've changed a lot of the light bulbs wherever possible to the energy-saving bulbs. When I do laundry, I make sure I do a full load, as opposed to just small loads that would cause you to do more.

**The Chair:** I'd like to thank the members of the government side. Thank you for your patience as well, Mrs. Kozak. We'll move now to the official opposition.

**Mr. Norm Miller (Parry Sound–Muskoka):** Thank you very much for your presentation today. I think the points you've raised make a lot of sense. We don't really know what the cost is going to be for the smart meters, the monthly charge to the individual consumer. We had a presentation earlier in the day from Atikokan Hydro pointing out that they have unique situations. They gave an example where they have a distribution area that has a substation with six customers, three of whom were seasonal, and they were going to have to build a 400-foot tower and run special phone lines to be able to make this work. They also went on to say that the cost of the smart meters for them could be as high as 80% of the value of the whole Atikokan Hydro, which is pretty substantial. So I think you're right.

The basic question I have, too, is, does it make sense, especially for small electricity users? As far as I know, the government's plan is to make these mandatory. So my question to you is whether it makes sense or not. What if you're a small user who can't shift your load to the middle of the night? From my feeling, I think it should be optional, so individual homeowners can decide, "Yes, I think it makes sense. I'm willing to pay whatever the cost is, the \$4 to \$8 a month, the extra cost, because I use a fair amount of electricity and I can shift my load to a time of lower price." Do you think it should be optional?

**Mrs. Kozak:** Yes, I do, because if people can't take advantage of it, they're going to be paying for really not using it at all. So if people think they can use it and have the option, then I think that would be a better way to go.

**Mr. Miller:** We just heard from the paper union which was really making it clear that there is a crisis in this area, particularly for pulp and paper mills that are losing thousands of jobs, and the forestry sector. You know that, living here in the community, and I'm sure you know people who have lost their jobs. Is this bill really going to make any difference in the big picture and for the crisis that's affecting all of the north and very much the Thunder Bay area? It's dealing with smart meters and energy plans for conservation.

**Mrs. Kozak:** I really don't think they're going to conserve any energy at all.

**Mr. Miller:** If Mr. Hampton is right in his estimate of cost—he says it could cost as much as \$2 billion; I don't

know whether he picked that one out of the air or whether it's a real number—if that is really the cost of implementing smart meters across the country, I think the point made is very good: Does it make sense at all? I think, at the very least, consumers and industry should have a choice as to whether they think it makes sense for them if they want to pay for the cost.

**Mr. Yakabuski:** Thank you very much, Mrs. Kozak, for joining us today. Actually, my questions or comments are basically similar to my colleague Mr. Miller's. We've had other people at some of these hearings talk about whether it should be mandatory or voluntary. Sometimes we find that the government party has this idea about seeming to have all the answers and needing to take the options away from people, because they're the social engineers, if you want to call it that.

I'll give you an example. We had a gentleman in the other day. If you had 20 people doing smart-metering and it started out with the highest users somewhere at 70 kilowatt hours a day, down to 65, etc., and then you get to the low ones, you're going to have diminishing returns as to how much possible electricity they can conserve based on the amount they use. The gentleman who was in the other day had a very small electric bill of something like \$13 a month. He would be able to save absolutely nothing, whether he had a smart meter or not. He's got it down to a T. He knows exactly how he's using electricity and is using it as carefully as possible. All he's going to get is a charge on his smart meter. The estimates range as high as \$8 a month for some people, but that is a pilot project. They've just had a pilot project.

Would you agree that this thing is more about politics than about conservation and that they have no real data that can state what kind of savings are going to be made versus the expenditure in this program?

1400

**Mrs. Kozak:** I would say that they really need to collect more information before they actually pass this bill. I don't think all the information they need is there.

**Mr. Yakabuski:** So it certainly would be your position that this should have been a voluntary program, not a mandatory program.

**Mrs. Kozak:** Yes.

**Mr. Yakabuski:** And those who would benefit by it, if it's such a great idea, would flock to it. Nobody has to tell somebody to go out and buy cornflakes if it's the best cereal; they're all buying it. So if it was a great program it would sell itself.

**Mrs. Kozak:** Yes.

**The Chair:** Mr. Hampton, I can offer you the last one minute.

**Mr. Hampton:** That's fine. My sense, from talking to a lot of people, is that they are quite interested in saving energy, saving electricity. If you could provide people with low-interest loans so they could go out and buy energy-efficient refrigerators and freezers and not have to pay a lump sum right off the top because they don't have the money, people would do that. If the government provided people with an incentive, say a low-interest loan

to put in energy-efficient windows and better insulation, a lot of people would do that. But the government isn't doing that. I don't see anything about smart meters that's going to provide somebody with an electrically efficient fridge or an efficient freezer. I don't see anything here that's going to provide people with the financial help they need to put in energy-efficient windows. I don't see anything here that's going to provide people with the help they need to re-insulate their homes.

The question I'm asking you is, this is going to cost \$2 billion, but where is the money going to come from that a lot of ordinary folks will need in order to reduce their electricity consumption?

**The Chair:** Thank you, Mr. Hampton, for your questions and comments. On behalf of the committee, we'd like to thank you, Mrs. Kozak, for your presence as well as your written deputation and thoughtful remarks.

#### ECOSUPERIOR ENVIRONMENTAL PROGRAMS

**The Chair:** I now call forward our final presenter of the afternoon, Ms. Ellen Mortfield of EcoSuperior Environmental Programs. Her written deputation has been distributed, I understand. Ms. Mortfield, as you've seen, the protocol is 20 minutes in which to make a full address, and any time remaining within that will be distributed evenly amongst the parties for questions. I invite you to begin now.

**Ms. Ellen Mortfield:** Thank you very much. Just a bit of background: I am with EcoSuperior. We're a non-profit organization and a member of Green Communities Canada. I believe you heard from Green Communities Canada in Toronto a few days ago. We are a part of that group.

I am here to speak specifically about one section of the bill, the part that enables universal energy efficiency labelling of buildings. We strongly endorse this step and want to recommend some further additions to this provision. I want to take the opportunity to address some of these concerns. Also, I want to take the opportunity to address section 7 of the bill, which deals with community-based public education and outreach on energy efficiency and conservation.

EcoSuperior works with community partners and all levels of government to deliver programs that help build more sustainable communities. For example, we work with the city of Thunder Bay to encourage people to participate in water conservation. We help Environment Canada with outreach campaigns on dioxins and mercury. We help smaller municipalities organize hazardous waste collections. We also co-operate with local businesses. We work a lot promoting local business, and they in turn help promote our programs. For example, our thermostat collection depots are now in every community between here and Sault Ste. Marie at the offices of heating contractors. Together we are keeping a lot of mercury out of local landfill sites.

Energy conservation is also a big part of our mandate. We are a delivery agent for Natural Resources Canada's EnerGuide for Houses program. We have delivered more than 800 home energy assessments since 1999. Last year, we helped homeowners access more than \$52,000 locally in federal incentives and reduced the space heating costs by an average of 33%. Those savings and financial incentives translated into a great deal of renovation work and product sales for local businesses as well, so it's a very important program locally for us.

Also, I'd like to let you know that EcoSuperior has no core funding support. We rely entirely on project-based funding to support the organization. The EnerGuide for Houses service provides important revenue to support the environmental work we do in the communities. In other words, that one program helps support a lot of our other programs, as well as supporting and generating work for local businesses and trades.

I don't have a lot of time so I probably won't go through all of the recommendations that Green Communities Canada went through, but I'll highlight a few of the ones that are most important to us locally. Our second recommendation is that subsection 2(1) in schedule A of the bill be strengthened to require, rather than simply enable, mandatory universal labelling of building energy performance at point of sale, lease or transfer. We feel this is a critical part of the bill and it needs to be made mandatory. Universal labelling is already in place for most energy-consuming products, including appliances that consume a lot less energy than homes and buildings. In our appliance rebate programs, we always emphasize to people that there are two price tags: what you're paying for the appliance and what you're paying to operate it. It's very basic information to the whole concept of establishing a conservation ethic, and people should have access to that information when they're purchasing a building. Now that we're this close to making that information available to people, making it mandatory would certainly level the playing field and allow people to make realistic comparisons between buildings.

The third recommendation in my written submission is that EnerGuide for Houses be adopted as the standard for labelling residential buildings. There are a number of reasons, partly that it's a widely recognized system. It's known to homeowners now, and it's being used across Canada. There is a lot of infrastructure and a delivery system in place. EnerGuide for Houses goes that step further in not just applying a rating to a building but giving the building owner the information they need to improve and upgrade that building. In order to accomplish some real energy savings, we need to make sure those retrofits happen, and EnerGuide is a logical system to make sure people have the information they need to make those decisions on retrofitting buildings.

I'm going to skip down to recommendation 5, that Bill 21 be amended to enable the province and local governments to establish minimum energy efficiency standards for existing buildings. This has created a lot of

discussion among people, but ratings alone are not going to create any real progress towards our conservation goals. It's the existing buildings, not the new ones being built, that are the largest source of energy loss, and it may never really change unless minimum efficiency standards are established. We anticipate that the requirement to meet minimum standards need not be a financial hardship because, as energy costs continue to climb, the payback time on energy-efficient investments is going to continue to decrease. Hand in hand with that, we need to look at, as Mr. Hampton mentioned, the incentives to help people meet those minimum standards.

I'd also like to mention that Bill 21 needs to support—this links in to support for building owners to fulfil requirements in any regulations that come out of this bill. We need to make sure that people have access to energy advisers, to rating services and organizations, to home renovation contractors and to energy-efficiency-related incentives and loans. While there are some of those programs in place, they come and go. There's not a lot of consistency, and there's not a lot of help, particularly for commercial owners to be informed and work their way through the process of accessing those incentives.

#### 1410

Another thing I wanted to mention was that access to energy adviser service and ratings is of particular concern to smaller communities in this region. We regularly receive requests for service in outlying areas that we do not currently have the capacity to serve. Assistance in providing service to remote areas where travel times are substantial needs to be considered. If ratings indeed become compulsory, we need to make sure that every community has access not only to the ratings service but to the help they need to improve those buildings.

Finally, I want to make sure that I provide some comments on the whole area of section 7 of the bill, which enables the minister to enter into agreements to promote energy conservation and energy efficiency. We'd like to recommend that the province work with community-based organizations such as EcoSuperior and our fellow Green Communities Canada members. We've used our community-based social marketing expertise to engage people in reducing waste, conserving water and preventing pollution with proven and measurable results. Our programs have been shown to be far more effective than conventional mass marketing in changing behaviour. An investment in public education and outreach using a cost-effective tool such as green community organizations will provide additional support also through leveraging our local partnership resources. It's really getting out there and talking to people about these conservation messages that's going to make it work. Thank you.

**The Chair:** Thank you, Ms. Mortfield. We have lots of time for questions. We'll begin with the official opposition. We have about five minutes each.

**Mr. Miller:** Thank you. I'm interested in your idea about the universal labelling of buildings for energy performance. I wonder if you could tell me how it would work. I assume there must be an audit that would be done

of homes or commercial buildings. Maybe you could expand on that for me.

**Ms. Mortfield:** That's correct. I can tell you what we do residentially now. The EnerGuide for Houses program is software developed by Natural Resources Canada. We can go into a home, assess the building envelope and everything that's in the home and actually measure air leakage, and give that report to the homeowner, along with a rating between zero and 100. If your home is a 14, you know you have work to do.

**Mr. Miller:** So 100 is good.

**Ms. Mortfield:** That's right, 100 is good. The federal government also has a grant program linked to that. When you have your energy assessment done, you'll receive a report that prioritizes recommendations and tells you that if you upgrade your furnace, you're going to move up 18 points or if you add insulation to the attic, you'll bring it up another six points. The point system relates to the grants.

**Mr. Miller:** Where would the actual label show up? So I'm going to buy a house or property; is it something that's described in the legal documents?

**Ms. Mortfield:** Generally, on the electric panel.

**Mr. Miller:** So it's actually physically right in the house, so it's pretty easy to find.

**Ms. Mortfield:** Yes.

**Mr. Miller:** I guess my next question is, once you identify that the property is in need of help, in need of retrofits, how do people pay for the retrofits, especially in the climate we have here in Thunder Bay right now, where so many people are losing their jobs? What's your advice on that?

**Ms. Mortfield:** The grant program is meant to help. It's not a substantial amount of money and it's not based on what you spend; it's based on the actual efficiency increase that you can achieve through those retrofits.

**Mr. Miller:** That's an actual federal grant program, so it's not repayable then? It's not something that's repaid, if it's a grant?

**Ms. Mortfield:** No, it's a grant. That's right. But the beauty of the program is that it allows people to prioritize. A lot of people think they need a new furnace or new windows, but by actually performing the energy assessment on the home, it's going to tell you what will really make the difference. We can work out the payback period for you, so it enables people to budget for things. They know that if they save up for a new furnace, it's going to be worth their while and they're going to know exactly how much their costs will decrease as a result of that change.

**Mr. Miller:** Obviously, the government would love to give out grants to people, but is the current federal system based on income as well?

**Ms. Mortfield:** No, the current system is based on the actual change in efficiency that you achieve. The more points you move your home up the scale, the more of a grant you get.

**Mr. Miller:** Okay. One of the last presenters, from the Communications, Energy and Paperworkers Union,

stated that in this bill, one of the things missing was changes to the building code. I would think that would be a natural and simple way as well to bring about—especially in new buildings, at the very least, or renovations.

**Ms. Mortfield:** Absolutely. That's an important part of it. It should. I think most homes are built to considerably better standards, but the majority of the homes that are out there are the old ones. Those are the ones that people on lower incomes are buying. They need to be able to compare and to know what they're getting into. This is why the mandatory ratings would be of benefit.

**Mr. Miller:** On section 4 of the bill, there are lots of requirements in the bill for people to make plans—government is great at requiring plans. That means a lot of people are busy making conservation plans, but in the end, it might not make any difference at all in terms of the end result of conserving energy. Our first presenter today was saying, more or less, that the bill was too prescriptive and required too much work on behalf—in this case—of Atikokan Hydro. They were faced with some fairly major obstacles in implementing the bill, but government isn't necessarily—

**The Chair:** Thank you, Mr. Miller, for your questions and comments. We'll now move to the government side. Mr. Brownell.

**Mr. Jim Brownell (Stormont-Dundas-Charlottenburgh):** First of all, I'd like to thank you for your presentation today. There were some good insights and thoughts on energy conservation. I have about three questions. Hopefully, they will be short enough that we can get them in.

The first one: In your presentation, little comment—actually, I don't think there was any comment—on smart meters, certainly a tool that we see as helpful to consumers in energy conservation. What are your thoughts? You're public relations and programming for Eco-Superior, and have obviously been out in the community and have heard from people. What are you hearing?

**Ms. Mortfield:** I mainly hear the negative view on smart metering, to be honest. It's not widely accepted. There is already good awareness. People want to conserve. They want help from organizations like ourselves to tell them how, what makes a difference, and, "What can I do?" But I think they see the smart meters as a little bit—I don't know. Assuming that people don't know how to conserve, you can take advantage of time-of-use rates without a smart meter, correct? You don't really need a smart meter to tell you when you're going to save if time-of-use rates are in place.

**Mr. Brownell:** Going to one of the recommendations you've made here—you have strengthening the section to require mandatory labelling. I'm wondering about the responsibility for this: Are you looking at the responsibility being on the buyer or the seller? Where do you see that fitting in? Obviously, you would want this. In encouraging this, who should be responsible?

**Ms. Mortfield:** The seller, because people need to know what they're getting. It could be a benefit to the seller as well. Once they have the rating, they would then

know that if they upgrade by certain measures, they're going to increase the value of the property by that.

**Mr. Brownell:** In Chatham yesterday, the very last presentation was from an individual in a business very similar to what you're representing. She talked about this culture of conservation that we're looking for in Ontario, encouraging people and trying to get the message out etc. I didn't get a chance to ask her the question, but I did after. I spent 32 and a half years in a classroom. I taught science, and every year we had conservation education and programs in place to encourage kids to get out there to encourage the community. What do you see in that regard with regard to what—

**Ms. Mortfield:** That's the critical part of all this. There are a lot of activities involved in building that conservation culture. Regulations are one of them, outreach is one of them, programs to financially assist people are another aspect; it all has to work together. School programs are an important part of that as well. I'm just putting together a funding proposal for a school program to get us out there with hands-on, take-home activities for the kids to get involved, both at school and at home.

**Mr. Brownell:** You're not the only one, because when I talked to her yesterday, she's doing the same thing, and that's good. That's exactly what we want.

**The Chair:** Mr. Gravelle?

**Mr. Gravelle:** How much time do we have?

**The Chair:** You have two minutes.

**Mr. Gravelle:** I won't need two minutes. I just want to apologize for not being here during your presentation, Ellen, but for those of you who don't know, Ellen Mortfield and EcoSuperior are a remarkable organization in Thunder Bay with a great reputation, and are doing great things in terms of making our environment—and making it more accessible to the public. Would you not say, Ellen, that that has actually has been one of the key goals of EcoSuperior, having consumers becoming comfortable with the idea of basically cleaning up their

lives, their houses? I think that's what has made it, if I may even go a little further, kind of fun. There's that element, and you've been really pushing for that in a very serious way.

**Ms. Mortfield:** Yes. Getting people involved and finding ways to motivate them is very important. We've often said that one of the most important things EcoSuperior does is one that we are not specifically funded to do, but it's just to be there, to have people in place to answer people's questions, a place that people can drop in or call and say, "Why can't I recycle number 6 plastics?" "Can I put this in my composter?" Because nobody else is out there doing that.

**The Chair:** Very briefly, Mr. Leal.

**Mr. Leal:** Let me tell you that Mr. Gravelle and Mr. Mauro are always talking about the city of Thunder Bay and their innovative ideas. My question is: A few people have talked about the protection of privacy with the smart meter. We may be setting up a smart meter entity that will be collecting significant amounts of information about individual usage. Do you believe there's a need to put something in the legislation to protect privacy?

**Ms. Mortfield:** I didn't do a great deal of research on the smart meter issue because I was looking at a very specific part of the bill, but I've heard that as a concern from people too, about their knowing all my personal habits—

**The Chair:** I'm going to have to intervene there. I'd like to thank the members of the government for their questions and comments, and thank you as well, Ms. Mortfield, for your deputation and the written submission, always much appreciated.

I'd like to advise members of the committee that Wednesday, February 15, is the clause-by-clause consideration and that Monday, February 13, at 12 noon is the deadline for filing amendments. If there's no further business, this committee is adjourned until then.

*The committee adjourned at 1422.*

## CONTENTS

Thursday 9 February 2006

<b>Energy Conservation Responsibility Act, 2006, Bill 21, Mrs. Cansfield / Loi de 2006 sur la responsabilité en matière de conservation de l'énergie, projet de loi 21, M<sup>me</sup> Cansfield.....</b>	<b>JP-161</b>
Township of Atikokan .....	JP-161
Mr. Wilf Thorburn	
Communications, Energy and Paperworkers Union.....	JP-165
Mr. Bob Huget; Mr. Gary Bragnalo	
Mrs. Sharon Kozak .....	JP-168
EcoSuperior Environmental Programs .....	JP-170
Ms. Ellen Mortfield	

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