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Wednesday 27 May 2009

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Mercredi 27 mai 2009

**Standing Committee on
Estimates**

Ministry of Energy
and Infrastructure

**Comité permanent des
budgets des dépenses**

Ministère de l'Énergie et de
l'Infrastructure

Chair: Tim Hudak
Clerk: Sylwia Przedziecki

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON ESTIMATES

COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Wednesday 27 May 2009

Mercredi 27 mai 2009

The committee met at 1557 in room 151.

MINISTRY OF ENERGY AND INFRASTRUCTURE

The Vice-Chair (Mr. Garfield Dunlop): We'll call the meeting to order, everyone. I'd like to welcome everyone here today: Minister Smitherman and all the staff from the Ministry of Energy and Infrastructure.

A couple of things to put on the comments here to begin with: We're here today for the consideration of the estimates of the Ministry of Energy and Infrastructure for a total of seven and a half hours. The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked by the research officers.

Any questions before we start? Are there any questions today? I think we clarified that before the meeting got going.

We will commence with vote 2901. We will begin with a statement of not more than 30 minutes by Minister Smitherman, followed by statements of up to 30 minutes by the official opposition, Mr. Yakabuski, and the third party, Mr. Tabuns. Then the minister will have up to 30 minutes for a reply. Keep in mind that you don't have to use the full 30 minutes in each case if you don't wish to. The remaining time will be apportioned equally among the three parties and we'll go into 20-minute rotations. After the minister, we'll be starting, of course, with Mr. Yakabuski, and then we'll be back here next week on Tuesday and Wednesday to complete the—

Mr. John Yakabuski: Could I just ask one question?

The Vice-Chair (Mr. Garfield Dunlop): Yes, you can.

Mr. John Yakabuski: So we will not get into those 20-minute rotations today?

The Vice-Chair (Mr. Garfield Dunlop): Not unless the minister didn't use any of his 30 minutes and he wanted to go directly to you.

Hon. George Smitherman: I told the honourable member that if he's not provocative, we might.

Mr. John Yakabuski: I'm just thinking of my own time management. I may not stay because I want to get out of town.

The Vice-Chair (Mr. Garfield Dunlop): You're getting out of Dodge, eh?

Mr. John Yakabuski: Yes.

The Vice-Chair (Mr. Garfield Dunlop): Okay. Let's work with that, and we'll see how this goes.

Minister Smitherman, you have 30 minutes to begin.

Hon. George Smitherman: First off, I want to say thank you, Mr. Chair, and encourage all members of the committee to vote yes on vote 2901.

It's a real pleasure to be here, and I want to thank all the members for their hard work and dedication. I want to thank my deputy minister, Saäd Rafi, and the senior management and staff of the new ministry for all of their hard work, which has made so many good things possible in our first year. I want to thank our extended family of agencies, boards and commissions that are associated with the Ministry of Energy and Infrastructure. Individually and collectively, they're advancing our vision and translating our policies into positive results.

I was here just last November to talk about the energy file, so I'm really looking forward today to talking about energy and infrastructure, reflecting the combination of these two ministries this time around. I want to tell you about all the good work that we're doing at MEI. I was honoured when Premier McGuinty asked me to lead this combined ministry last year. The Premier envisioned MEI as a key ministry that would help support the sustainable and prosperous Ontario we all want for today and tomorrow.

When the ministry was created last June, the Premier said that the merger of the two ministries would represent an essential part of our plan to grow the economy. We're well on our way to meeting this goal, thanks to our unprecedented investments in infrastructure and our work on the energy file, including the Green Energy Act.

We must, as the Premier often says, try harder, aim higher and work longer than anyone else. I can certainly say that we've been working longer. I'm not much of a jumper, so I'm not sure about the "aim higher" bit. But over the last 11 months at MEI, we've certainly been working to achieve those goals. I must say today that, for us, we feel that the stars are aligning in a very exciting way. We're at the centre of an energy renaissance in this province that, when combined with our infrastructure

renewal program, gives rise to almost endless possibilities.

We're laying the foundation for a new green economy that provides 21st-century jobs and sustainable communities for all Ontarians for generations to come.

I'm going to ask my staff to provide a few handouts through the course of my speech. One of these that we'll distribute really focuses on the 2009 Ontario budget, which provided for \$32.5 billion for infrastructure projects over the next two years. That's going to support an estimated 146,000 jobs this fiscal year and 168,000 jobs in the next fiscal year. In addition, the Green Energy Act will support a blossoming green energy sector in this province, creating an estimated 50,000 jobs in its first three years alone.

Sustainability at all levels is our goal: more renewables, more conservation, more smart planning for growth, and more green infrastructure that transcends four-year government mandates and spans decades. Together, we're driving toward our climate change targets and building a greener, healthier, stronger and smarter Ontario.

Just last week I had the chance to join Ontarians to mark the second annual Energy Conservation Week. It showed me that there are no limits to what we can achieve when we work together. To kick it off, I launched the province-wide rollout of time-of-use pricing. It's made possible by the investments and decisions that we've taken to implement smart meters. By next June, more than one million Ontarians will be on time-of-use rates. Time-of-use rates will give us all the power to monitor and better manage our electricity use and our bills and, generally speaking, to use the commodity of electricity more wisely.

I also announced a massive energy retrofit of the iconic former Sears head office building at 222 Jarvis Street. This is a building now owned by the province which will eventually house more than 2,000 Ontario public servants. Before occupancy, however, we intend to invest more than \$100 million to create 1,000 jobs, but also to make sure that this signature green office tower emerges with the very latest in energy-efficient and environmentally friendly systems. In fact, we're seeking to achieve at least LEED gold standard on this retrofit.

Energy retrofits to our infrastructure are a prime example of where MEI comes together. We're using the dollars from infrastructure to address energy conservation. In so doing, we are creating jobs for Ontarians and offering new business opportunities, shrinking our carbon footprint and reducing electricity costs. Some people call that the triple bottom line.

The centrepiece of our efforts over the past six months has been the Green Energy Act. The House passed Bill 150 on May 14 with a vote of 59 to 13, and that very same day the Lieutenant Governor gave the bill royal assent. This was such an important moment that even in Nashville, Tennessee, where a conference on climate change was being held, the group stopped to announce and celebrate that the Green Energy Act had passed—a first for North America.

I was very pleased to see my colleague and constituent Peter Tabuns and his party support this important bill. It's too bad that the Progressive Conservative Party chose not to support it, especially since they have been on the record as supporting green energy and my critic Mr. Yakabuski told the Legislature about his own family's ability to reduce their electricity use by 40%.

The Green Energy Act will turbo-charge an era of clean and green power, a culture of conservation and an emerging green-collar economy where Ontarians will find jobs today and for decades to come.

Wheels have been turning on the infrastructure front as well. My cabinet colleagues, federal counterparts and our ministry have been working very hard to ensure that infrastructure funding is being rolled out so that we can get the right projects under way and people working on the right priorities.

Here are just a few examples. We're investing in the skills and knowledge of Ontarians. This week, the governments of Canada and Ontario will roll out nearly \$1.6 billion in support of our post-secondary education system. This funding will help modernize facilities and boost the long-term research and skills training capacity of these vital post-secondary institutions.

We're investing in our smaller communities, the heart and soul of our great province. In February, along with the government of Canada, we announced \$687 million for 290 infrastructure projects in Ontario communities with populations of fewer than 100,000 through the communities component of the Building Canada fund. This funding will not only help these communities to build the roads, bridges and water systems that they need to stay vibrant and strong in the future, but will also help to support job creation and boost local economies right now, which is much needed. The second intake of the communities component closed on May 1, and we expect to be making another funding announcement shortly. Other infrastructure dollars will be rolling out very, very soon as well.

We're investing in our public spaces: the parks, pools, rinks and arenas that make this province a great place to play. In this year's budget, we committed \$195 million in funding for recreation infrastructure projects over the next two years. This year's allocation will flow through the Ontario recreation program and will combine with the federal Recreational Infrastructure Canada program in Ontario to upgrade and repair local hockey rinks, swimming pools and other recreational community sites across this province. That's not limited in partnership with municipal governments; it also offers opportunities for the not-for-profit sector to participate.

We're investing in our cities, which makes our province vibrant and keeps it competitive. Together with the government of Canada, we expect to announce billions of dollars in infrastructure stimulus funds for large and smaller cities imminently.

In that same spirit of maximizing our efforts by focusing our attention and money where it is of greatest benefit to Ontarians, I'm continuing to seek out global

success stories and bring good ideas home. In June, I will travel to Japan and South Korea for the World Wind Energy Conference to promote new investment opportunities in Ontario, including manufacturing jobs due to our new domestic content rules, and to learn more about their approaches to infrastructure and building a sustainable economy.

Now let me move from the general to the particular and outline for members the details of our energy and infrastructure renaissance. Whether it's getting off coal; the pesticide ban; the Smoke-Free Ontario Act; cleaning up our Great Lakes; protecting our pristine wilderness, including the boreal forest; or creating the greenbelt, the government of Dalton McGuinty is creating a massive green legacy for future generations of Ontarians. We're not simply responding to the times; we're leading them. Ontarians support what we're doing, and they're asking for more.

As I said when I began, our goal is sustainability at all levels—sustainability in the way we use electricity and encourage renewable power, in the way we plan for growth and build livable communities and in the way that we stimulate the economy and support new places for it to grow, particularly in these challenging economic times.

A great example of how we're working toward this sustainability goal is the progress that Waterfront Toronto has been making in the last year on revitalizing the west Don lands. This former brownfield is on its way to becoming an exciting, new, sustainable downtown community. The first of 6,000 new residential units developed to LEED gold standards will go on sale within the next year, and this spring, we announced that, should Toronto succeed in its bid to host the 2015 Pan Am Games, the athletes' village would be located in the west Don lands. The athletes would be housed in new residential units that would become affordable housing in the west Don lands after the games.

In general, we're aiming to make our government buildings more efficient. This means better design. Since June 1, 2003, the McGuinty government has made LEED, which stands for Leadership in Energy and Environmental Design, the standard for all new government-owned construction. The LEED rating system promotes an integrated building design approach grounded in five key areas: sustainable sites, water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality. With our Green Energy Act, we are aiming to establish LEED silver as the standard going forward.

In the process, we also stoked the development of the green economy, that important cluster of jobs, products, services and ideas that Ontario must capture and corner to grow and to prosper.

Of course, we aren't building from the ground up in every circumstance. That's why another important part of the picture is retrofitting Ontario's existing building stock. Retrofits create green-collar jobs, they promote green energy options, build greener communities, support

sustainable growth, reduce the province's carbon footprint and directly contribute toward the Go Green action plan established by our government. We realize we can't ask Ontarians to do the heavy lifting to make their homes and lives more eco-friendly if we're not doing so ourselves, so we're getting our own house in order.

1610

As one of the biggest landlords in the province, we have an opportunity and an obligation to lead by example. Our Toronto accommodation plan will deliver significant reductions in the government's greenhouse gas emissions footprint, reduce operating costs for retrofitted space and create workspace for staff that is accessible and appropriate for 21st-century work. At maturity, our plan will reduce the Ontario public service carbon footprint by about 35,000 tonnes a year, or fully 10%.

That's as good a segue as any into the Green Energy Act and the energy renaissance that is taking place in Ontario. As I said earlier, the Green Energy Act will become law upon proclamation, but this is a journey that's just beginning. This act is a road map to a prosperous future for Ontario, one that conserves electricity, goes easy on Mother Earth by using renewable power and capitalizes on new opportunities in the green economy. As I said earlier, we expect that the Green Energy Act will create and support about 50,000 jobs in the first three years.

One of the biggest advantages of Ontario's bold move to get off coal is that it puts our province at the forefront of this brave new world. As the Green Energy Act comes to life, we envision it will support an entire cycle of green economic activity here in Ontario: from design to parts building, transportation, installation, operation and maintenance. When I was travelling around Ontario for the Green Energy Act, I heard from farmers, foresters, First Nations, community groups and individuals who are truly excited about the opportunities the Green Energy Act offers.

The combination of the Green Energy Act and our off-coal plan gives Ontario a green electricity system well-positioned for a future where there is a price on carbon. The Green Energy Act features North America's first feed-in tariff to spur the development of Ontario's renewable potential. The tariff offers guaranteed and attractive prices to developers of wind-, water-, solar-, biomass- and biogas-sourced power. Our goal is cleaner, greener and online quicker.

There can be no doubt that Ontario is setting the pace with tough conservation targets in North America and an aggressive renewable power plan. Procurement programs have already brought more than 1,000 megawatts of new, renewable energy online since October 2003. We're the leader in Canada in wind power developments. As good as this progress is, however, we must keep the pedal to the floor. We owe it to ourselves and to succeeding generations to seize this moment and get it absolutely right.

Another key consideration going forward will be strengthening our transmission network to take full

advantage of these new supply sources. We've already started working on this. Hydro One is building a new transmission line from Bruce to Milton to take advantage of 3,000 megawatts of renewable wind and clean nuclear generation from the Bruce region. But in the coming months, we will be making further announcements about our plans for major and extensive transmission enhancement for several areas across the province. These investments will allow us to tap new renewable power opportunities and create many jobs.

We'll continue to develop a distributed generation model as an alternative for smaller generators, and we will build a new energy relationship with Ontario's First Nations and Metis communities. I believe there is great potential in exploring partnerships in generation and transmission with Ontario's aboriginal communities, like the one that we recently had the privilege of participating in with the Lac Seul First Nation. We can build a cleaner, greener renewable power system and build economic opportunity for aboriginal communities at the same time.

As far as reliability of supply goes, we continue to enjoy a strong foundation with what I like to call nukes and Niagara, providing 75% of our energy needs last year. The government is going forward with nuclear procurement as part of our plan to ensure an adequate baseload supply of electricity for Ontarians. We are proceeding very carefully and thoroughly on behalf of the people of Ontario, and I want to emphasize that the future of nuclear power in this province will be tied to an appropriate balance of risk transfer and performance and expenditure guarantees that will protect the taxpayer while achieving a commercially reasonable deal.

Infrastructure Ontario is reviewing three bids and we will announce a decision about the successful bidder as soon as we've been able to thoroughly examine all of the submissions. We will take the time necessary to make the best decision.

Our longer-term reliability picture remains positive after seeing our installed capacity fall by 6% while demand increased by 8% under the previous government.

Recent studies by the Independent Electricity System Operator demonstrate about 3,700 megawatts more of new and refurbished supply is expected to come into service by 2010. That's in addition to what has occurred since October 2003, with more than 6,000 megawatts of new and refurbished supply having been added in Ontario. That's more than 15% of current capacity. And as I said earlier, much of this is cleaner and greener power. In other words, we're in good shape as the summer air-conditioning season approaches and as we prepare to entirely eliminate dependence on coal by the end of 2014.

I'm extremely pleased to tell members that under aggressive targets set by the McGuinty government, we're burning less and less coal as we approach the cut-off date, resulting in cleaner air for all Ontarians.

Let me say a word about price. The weighted average market price for electricity in 2008 was 5.2 cents a kilowatt hour, down from 7.2 cents in 2005, and less than the average price of 5.5 cents since the market opened

seven years ago. About 40% of Ontario's electricity production is subject to regulation. This has contributed significantly to stable prices for Ontario consumers.

Through our projected investments and expenditures as part of the Green Energy Act, electricity prices are expected to rise approximately 1% annually, on average, over the next 15 years for ratepayers. Once Green Energy Act initiatives become implemented, an additional \$900 million will be spent on conservation strategies across energy and electricity sectors over the next three years. By 2025, these investments, in addition to existing and other planned programs, should help a typical family in Ontario reduce their electricity consumption by 15% to 20%.

We're also very conscious about the particular challenges facing low-income Ontarians, which is why we are working with the Ontario Energy Board and the Canadian Council on Social Development to ensure that we are creating policies and programs that meet their needs.

As I mentioned earlier, our government is well on the way toward our goal of installing smart meters in every Ontario household and small business by the end of 2010. We've got more than 2.4 million smart meters installed to date, and by next summer, one million households will be on time-of-use rates, as I mentioned earlier.

Time-of-use pricing is indeed what makes our smart meters smart, by telling us how much electricity we are using and when that electricity is being used. Working with our local distribution company partners, we will continue to provide Ontarians with the tools and information that they need to shift their own energy use and to conserve.

People sometimes ask me what the connection is between energy and infrastructure. The answer is a word I've used repeatedly today: sustainability. There is no point in building a power system that is easier on Mother Earth while continuing to build and condone sprawl, gridlock and smog. So we're planning for and building sustainable, livable communities, with transit and shops and schools and businesses at the ready, and investing in sustainable infrastructure that looks beyond the four-year election cycle to what Ontarians will need decades from now.

As I mentioned at the outset, the McGuinty government is investing record amounts of resources into renewing the public infrastructure that serves all Ontarians. We will invest these sums on behalf of Ontarians with transparency and accountability. It is their money. It is their infrastructure. It is simply our privilege to build infrastructure that serves their needs.

Our \$30-billion ReNew Ontario investment plan is now complete, a year ahead of schedule. ReNew helped us reduce the infrastructure gap that we inherited from previous governments. That translates into more hospitals, schools, roads, bridges and tunnels, and better universities and colleges and public transit. But the task ahead of us is still large.

Our infrastructure deficit is still estimated at close to \$100 billion. The demand for services is growing while

facilities continue to age. We are reaching out to our partners in the public and private sectors to continue the job of renewing our infrastructure so that Ontario continues to have a highly skilled workforce, top-quality public services, orderly, planned growth for our communities and vibrant economic growth.

1620

To meet infrastructure challenges, jurisdictions around the world are increasingly exploring alternative financial relationships. In Ontario, we are using alternative financing and procurement, or AFP, in certain instances to offer government a way to transfer risk while retaining control, accountability and ensuring the public interest remains paramount. AFPs are not appropriate in all cases, but where they are found to be of value, they result in much-needed infrastructure, built on time and on budget. At the moment, Infrastructure Ontario is involved in managing about 50 AFPs in key sectors, including health, justice, transportation and energy.

There are currently 25 AFP projects under way right now, including 22 hospital projects. These projects are providing Ontarians with well-paying jobs and modernized infrastructure right across the province. On average, there are 195 people working on the Sudbury Regional Hospital, 200 at the Woodstock General Hospital site, 410 at the Durham consolidated courthouse, and there will be 1,000 at the peak of construction for the new Niagara hospital.

This model provides the government with the ability to use the best of both the public and private sector to maintain high-quality public services in Ontario. The alternate financing model has also provided opportunities for pension funds, like those, as an example, of the Labourers' International Union, not just to be the people who help to build the new facilities but to invest their pension funds in search of good-quality returns that can support the ongoing pensions of their membership.

One of the most important sources of revenue for infrastructure renewal comes from Ontario's charitable and commercial gaming sector and the horse-racing industry. More than \$1.6 billion from lotteries, charity casinos and slot machines at racetracks will be used to support the operation of hospitals in the current fiscal year. This year, the Ontario Trillium Foundation will receive \$120 million to help build strong and healthy communities.

All Ontarians benefit from responsible and moderate gaming. Two per cent of gross slot machine revenue, estimated at \$40 million in 2009-10, is allocated for problem gambling prevention, treatment and research programs.

The Quest for Gold lottery will provide an estimated \$10 million in 2009-10 for direct financial support to Ontario's high-performance amateur athletes. And this year, \$162 million from commercial casinos will be used to support general government priorities, including health care, education and public infrastructure.

More than 19,000 people are employed in Ontario's gaming industry in the four resort casinos, our slots at

racetrack facilities and OLG's head office. In addition, about 6,000 people are directly employed by racetracks.

Approximately 20% of the gross revenue from slot machines at racetracks is used to promote the economic growth of the horse-racing industry. This year, this support is estimated at \$349 million. A portion of slot machine revenue also goes back to host municipalities to help them offset local infrastructure and service costs. These revenues are estimated at \$81 million this year.

Gaming is facing many pressures: competition, accountability, the need to be flexible, finding the right level of regulatory oversight—the list goes on. Over the last year, my ministry has been developing a new gaming strategy for the province of Ontario. We're looking at a number of ways to stabilize the gaming industry and maximize benefits for the people of Ontario, including help for border tracks, expanding e-bingo province-wide, and removing betting and seat limits to boost revenues at charitable casinos. This strategy will feed into improvements within the industry itself, creating new management and positive change at the Ontario Lottery Corp., the development of responsible gaming programs and consumer protection at the OLG.

Along with investing in infrastructure today, we are planning communities for tomorrow. The greater Golden Horseshoe growth plan has been in effect since June 2006. Implementation is well under way. The vast majority of upper- and single-tier municipalities are on track to bring their official plans into conformity with the growth plan by June or July 2009. The major exceptions are the regions of Peel and York, which are aiming to have their work done by the end of 2009.

Most lower-tier municipalities may need a one-year extension until June 2010, but overall, municipalities are to be congratulated for moving so quickly. When you factor in the regional transportation enhancements now being brought forward through Metrolinx, we are well on the way to realizing not only the spirit but the reality of the award-winning Places to Grow plan.

We're also working to chart a new economic direction for northern Ontario, one that will align and focus our collective efforts to build a more innovative, robust and adaptive region. After much hard work and input from all across the region, a draft northern growth plan is expected to be released this summer. We're committed to northern Ontario and building on its tremendous talent to support the growth and expansion of a more diversified economy, including innovative sectors such as health care, the bioeconomy and information technology. We intend to work with all northerners to move this plan forward and plot a new, more prosperous course for this region.

So, in conclusion, this is the story at the Ministry of Energy and Infrastructure. It's a story driven by a vision of sustainability for all Ontarians and towards which a number of dedicated partners and allies are working in concert with the ministry. We're cleaning up our air. We're cleaning up the way we plan communities, build transit, retrofit buildings and upgrade efficiency codes.

We're paying more attention to how we replace what we use, and we're doing all this with an eye towards supporting the economy and creating good jobs for Ontarians. These are connected initiatives that go beyond party and far beyond Queen's Park. Ontarians have sampled it, they want more, and we intend to deliver.

To use a racing analogy, we are pulling away from the pack with a concerted societal effort to achieve our climate change targets, grow our green economy and embed sustainability in everything we do. We believe a better future awaits those who resolve to act, and that's why we are driving so relentlessly towards a sustainable economy and a healthy and prosperous society.

I want to thank you, Mr. Chair, and the members of the committee who will consider the estimates of the Ministry of Energy and Infrastructure. I encourage them again: Vote yes on 2901. Thank you.

Mr. John Yakabuski: What's 2901?

Hon. George Smitherman: That's our vote number.

The Vice-Chair (Mr. Garfield Dunlop): Yes, that's the vote number on estimates. You'll be voting on that at the end.

Thank you very much, Minister Smitherman, for your comments. You stayed within about two minutes there; you were right down to the wire. We will now turn it over to the official opposition. Mr. Yakabuski, you have 30 minutes to ask questions and/or make comments.

Mr. John Yakabuski: Thank you, Minister, for joining us today. I didn't realize—well I did, I guess, in a way—how broad your responsibilities were. I don't know why the Premier would offer the economic development ministry to Elton John; he might as well just give it to you. It looks like you're running everything else here.

Anyway, we're going to be confining our questions to the energy portion of our responsibilities, and I believe that my colleague Mr. Wilson will be coming in maybe next week and asking some questions on infrastructure. I expect my colleague Mr. Arnott to be joining me today, so I'm not sure how much time we'll be using here. As soon as he gets here, he might have some questions for you.

Anyway, there are a couple of things I wanted to ask you, because you mentioned smart meters in your address. On the implementation of the smart meters, you talk about households and small business. We asked this question once before, I think, of the previous minister, and I didn't really get an answer, but maybe he didn't really have a clear picture. But now I think we're talking about full implementation of the smart meters by 2010. Is that correct?

Hon. George Smitherman: I think it's 2010 for—
Interjection.

Hon. George Smitherman: And then the time-of-use stuff is phased in sequentially.

Mr. John Yakabuski: Okay. When you talk about small business, this is one of the questions I have. We have this time-of-use pricing, and we have some concerns about how it might impact householders, but we

have some real concerns about how it could impact a small business, because retail businesses such as restaurant businesses, drycleaners, stuff like that, traditionally operate in the daytime hours, which will not be at discounted rates; in fact, they'll be at the highest possible rates, which would be at, what is it, 11 o'clock to 5 o'clock?

Hon. George Smitherman: Your comment is not entirely accurate.

Mr. John Yakabuski: I'm going to ask the question. So how is this going to affect a small business person who traditionally operates during the daylight hours? Is the time-of-use pricing going to be exactly the same breakdown for a small business person?

1630

Hon. George Smitherman: A couple of points which are key are, 60% of all of the hours in a week are moving into a lower price than the regular—

Mr. John Yakabuski: That's the weekend.

Hon. George Smitherman: I said "a couple of things."

Some power use in a small business occurs even when you're not there. So for 60% of the hours, actually the price goes down.

The second thing that is important to recognize is that the commodity of electricity is not the same price all day. Accordingly, transitioning the people in our society to recognize that the price does fluctuate through the day is a very, very critical step toward appropriate use of electricity. If you look at the time-of-use rates, you have three different categories: low, medium and high. They vary somewhat by the season. But overall we feel that there will be opportunities for people to shift their pattern of use and to look for all opportunities, especially in those times when the rate is at the higher end, to mitigate against the use where possible.

Another way that I try to say this to people is, if you know that people are running their air conditioners, which is really kind of the key source of driving electricity prices, it's a pretty good message to look for opportunities to turn everything else off.

Mr. John Yakabuski: We understand that and appreciate that.

This part you're going to be able to answer a lot more quickly for me, I'm sure. Let's just take Monday to Friday; let's remove weekends and holidays. In that peak pricing time during the day, for most businesses they'll be subject to the same kinds of price increases that a homeowner would. A homeowner may be away; if they're working, they may not be at home. But a business, if it's in operation, will be in its peak customer receiving time. They will be subject to those same higher prices, then, during that time.

Hon. George Smitherman: Yes. The time-of-use price establishes different rates through the course of the day, and we'll be working in implementation to encourage people to understand it.

What we know is that in the places where it has been implemented, in Newmarket, Milton and Chatham-Kent,

where people have gone through the motions of making some adjustment in their use, overall they've seen very, very modest decreases in the price of electricity overall. In places where people have just gone with the flow and not made any alteration whatsoever, they've seen very, very modest increases in the cost of electricity.

Mr. John Yakabuski: But the price will—

Hon. George Smitherman: One small point that I would make is—I'm not quarrelling at all—we think that it's very, very important to alter the awareness of electricity, but please keep in mind as well that local distribution companies have opportunities to make investments in small businesses to retrofit their lighting systems, as an example, to use less electricity.

Mr. John Yakabuski: I'm not quarrelling with it either. In fact, some of what has been said about smart meters has been supportive, but I want to be clear that the business that has a much harder time shifting its demand will be affected by this pricing change.

I'm going to kind of bounce around here, and then I'll find out whether I'm going steady here or not, when Mr. Arnott comes. I'm just going to touch on a few points here. You made a comment about the 50,000 jobs that will be created over the next three years with the Green Energy Act. We have released a report that was produced by London Economics International that questions that. It does a full analysis, as you know, of the costing of the Green Energy Act, and we're going to have a lot more questions on that a little later, because you made that statement in your opening.

When I was questioning the previous Minister of Energy, I asked him at one of these estimates hearings if he would reveal to us the names of those people who were the advisers of then-opposition leader Dalton McGuinty on the feasibility of the coal shutdown promise for 2007. He undertook at these hearings that he would absolutely give us the names of all of those people, and never did. In fact, I addressed it as a question in the House, and he never did. So I'm going to ask you the same question with respect to the calculations of coming up with the figure of 50,000 jobs and also your contention that the price of electricity would rise by 1% per year through the implementation of the Green Energy Act. Would you provide for us, if it's from your ministry, copies of the reports and the analyses that have been done to support that, or if it's from an outside source, if you would reveal that to us so that we have the opportunity to have that vetted by other parties as well; if you could provide us with the sources of that information.

Hon. George Smitherman: Sure. The sources are within the government, and I don't know if the deputy minister could offer anything now, but certainly he could take note of that and be prepared to provide those things—

Mr. John Yakabuski: Could we get a full reporting analysis of how they arrived at those numbers?

Hon. George Smitherman: Sure, but I've answered these questions on numerous occasions. I think at the heart of the matter you have an issue of duelling estim-

ates. You hired some guns to do a report. We have some internal economists who said that, based on this expenditure profile and just kind of regularly used formulas, we've anticipated this kind of job creation. But sure; we'd be happy to show it to you.

Mr. John Yakabuski: But that report is available not only to yourselves but to the public, and it would be really good if we could have the same kind of information available to us.

Hon. George Smitherman: Having made the report public doesn't do much to help the quality of the report because, as an example, the report that you released—

Mr. John Yakabuski: We're going to give you an opportunity to go through that report throughout this process.

Hon. George Smitherman: Great. Is it finished yet?

Mr. John Yakabuski: Oh, yes. We've given you the full report.

Hon. George Smitherman: Oh, I thought maybe it would actually go further, like to consider the implication of using less electricity and the impact on a person's—using your own model of the 40% reduction, we were surprised that even after raising it, the second draft of the report didn't address conservation.

Mr. John Yakabuski: You'll have that opportunity. We weren't dealing with what the act wasn't dealing with. We're dealing with the price—

Hon. George Smitherman: The act was certainly dealing with conservation.

Mr. John Yakabuski: Absolutely, but that wasn't our question. Our question was about the price. We also talked—

Hon. George Smitherman: But at the end of the day, isn't the real question: How much are you paying? I think that's always been—

Mr. John Yakabuski: I think that is absolutely the question, Minister: How much are you paying?

Hon. George Smitherman: Okay. Why don't you give people credit for conservation, especially as you've personally attested to your 40% reductions? That's the disconnect that I didn't understand in your point.

Mr. John Yakabuski: Interesting segue, because you're talking about conservation here with respect to the demand reduction that we're currently experiencing in the province of Ontario, and what would be helpful—I spoke to one of the LDC operators the other day and they talked about how industrial demand was down in their jurisdiction more than 25%, and that individual demand was down a couple of per cent. So I would expect, then, that the ministry could probably provide, because they know who's an industrial consumer and who's a—

Hon. George Smitherman: We don't have to depend on the ministry for that. The Independent Electricity System Operator puts out a wide array of reports and has just had one of those. We'll be happy to make sure the most current version gets forwarded to you.

Mr. John Yakabuski: Yes, if we could have it, because it would seem to me that there's credit being taken for conservation when in fact it's the shutting down

of factories and manufacturing facilities—not necessarily the total shutdown but the reduction of business that’s going on and the reduction in production.

Hon. George Smitherman: I don’t think you’re going to find any comment where I quarrelled with the notion that reduced demand is fuelled in part by reductions in industrial demand. No one quarrels with that, but I don’t think it follows necessarily that there aren’t reductions that are possible also through conservation. I rather suspect that both of these influences are at play.

Mr. John Yakabuski: In fact, some of the stuff we get would support that, because those same people who have lost their jobs in manufacturing are conserving energy at home because they don’t have the money to pay the same bills that they can’t afford.

Hon. George Smitherman: Maybe they’re conserving energy at home because they got rid of a fridge, or maybe they’re conserving energy at home because, like you, they decided to turn off—

Mr. John Yakabuski: And some might—

Hon. George Smitherman: Not everybody’s motivated to use less electricity by—

Mr. John Yakabuski: Some of those people who have lost their jobs would be far more motivated to reduce their electricity consumption than someone who has not seen their personal economic situation deteriorate in the recent past.

Hon. George Smitherman: Somebody else might argue that they’re at home more and therefore are using more electricity. So I think you’re reaching, but I’m happy to work to get those IESO reports to you.

1640

Mr. John Yakabuski: I’m sure that you are.

One of the other issues that I wanted to talk to you about—I don’t think we’re going to be able to cover it all today, but I’m going to start. I just don’t know when Mr. Arnott is going to join me here. I hope I’ve received an e-mail from him—no.

The Niagara tunnel: The problems associated with the Niagara tunnel were publicly stated this past week. I have a few questions with respect to that. The original contract—I think the total project was \$985 million or something like that. The contract with Strabag was for significantly less than that. It was the total cost of the tunnel, including all approaches and everything else. Now it appears that the tunnel is going to be costing in the neighbourhood of \$1.6 billion. It’s not exactly clearly stated, but is it correct that the purchaser or the developer, being OPG, is going to be responsible for all of that increase? I believe they’ve asked if that can be put onto the rate base, so is that the plan at this time?

Hon. George Smitherman: Let me separate those two issues out. Of course Ontario Power Generation, as the developer of the project, bears responsibility for costs incurred, and they achieved the returns through their regulation with the OEB. So, yes, it’s fair to say that the costs associated with the project will influence the price of the electricity that is eventually created as a result of the tunnel and the expanding capacity.

In terms of the first part of your question, which I think was getting into kind of how you split the issues of responsibility, the original contract had a mechanism for mediation on any points of contractual disagreement. Ontario Power Generation and Strabag have maintained, notwithstanding the challenging circumstances of this project, a very, very good relationship and worked very co-operatively in a mediation process to arrive at a new model that will see the project toward its completion. For people who are not familiar with it: The assessments about the rock formation in the tunnel area were wrong and the expectations of progress were overstated, because there’s been much more need, as we went along with the tunnelling, to reinforce the tunnel for safety purposes.

Mr. John Yakabuski: So would it not have been Strabag’s responsibility to correctly determine what the rock formations were?

Hon. George Smitherman: I think that the original contract established responsibilities. Ontario Power Generation had researched the rock formations in that area, I think, over decades, and it is part and parcel of why they bear substantial responsibility for the price escalation.

The other thing—

Mr. John Yakabuski: So Strabag bid on the contract based on geological information that was given to them from OPG? They just accepted it and said, “Okay, this is what we’ll bid on”?

Hon. George Smitherman: Yes, this is the common approach, where the developer will say, “We assert that the project’s scope and scale looks like this.” Then the project is initiated. In retrospect, it has not gone as predicted.

Mr. John Yakabuski: You’re in fact telling us then that those were the circumstances, that OPG undertook to—

Hon. George Smitherman: The geology is off.

Mr. John Yakabuski: —sign off and say, “This is the geology that you will confront throughout the process of this project; these are the rock formations or the rock types that you will be boring through at this level, at that level”? All that information was provided by OPG to Strabag?

Hon. George Smitherman: Yes, this is the nature of the way—

Mr. John Yakabuski: I’m not asking about the nature; I’m asking if this was the specific in this contract.

Hon. George Smitherman: I have to defer to Ontario Power Generation and seek to get you more—at the heart of—

Mr. John Yakabuski: Can I just interrupt you for a second? How much time do we have left?

The Vice-Chair (Mr. Garfield Dunlop): Twelve minutes for you.

Mr. John Yakabuski: Maybe I can ask Mr. Arnott: Can you deal with your issues in 12 minutes? Because that’s all we’re going to have today.

Mr. Ted Arnott: I’ve got 12 hours’ worth.

Mr. John Yakabuski: I’m going to pass this on to Mr. Arnott, then, and we’ll pick this up at the next phase, because he did want to deal with that today.

The Vice-Chair (Mr. Garfield Dunlop): Okay, so we'll deal with that a little later on.

Hon. George Smitherman: Yes, no problem.

The Vice-Chair (Mr. Garfield Dunlop): So Ted, if you've got some—

Mr. Ted Arnott: Sure, yes. I want to say how much I appreciate the opportunity to speak to the minister on the record here at the estimates committee, because I have some significant concerns about the issue of the Bruce-to-Milton transmission reinforcement project, which has impacted many constituents in Wellington-Halton Hills. I was first informed of this issue before the 2007 election, and since that time I have heard from a significant number of constituents who believe that the compensation that Hydro One is offering—I hope that I have the minister's attention.

Hon. George Smitherman: I can multitask.

Mr. Ted Arnott: I'm sure you can. I don't doubt that.

The compensation is not sufficient for the impact that this proposal has meant on their lives. I want to ask the minister what he knows about the compensation principles that Hydro One has decided upon. I ask him that simple question: What does he know about that?

Hon. George Smitherman: I know they were not decided upon simply by Hydro One and that there were concerned individuals, impacted individuals, who are part and parcel of the working group that helped to establish the framework for compensation. It wasn't like Hydro One said, "This is what we have on offer and it's our final offer: Take it or leave it." I know that the manner of developing the proposed compensation was more sophisticated and involved the participation of affected landowners.

Mr. Ted Arnott: Have you been briefed on the compensation principles, and in what way have you been—

Hon. George Smitherman: I have not had a specific sit-down briefing on this, no.

Mr. Ted Arnott: Have you offered any suggestions or ideas for improving the compensation principles for the affected landowners?

Hon. George Smitherman: No. As I had a chance to mention to you when you brought this issue up in the Legislature, I believe it would be premature and inappropriate for a minister to insert himself into that conversation. The process is not completed. There's opportunity for dialogue amongst the parties, and it's my very strong bias to seek to have a successful conclusion of agreement and relationship achieved at the level where the 400 or 500 landowners are involved with Hydro One. I think that's consistent with what I said in the Legislature a couple of weeks ago.

Mr. Ted Arnott: I find it interesting that you'd say it's inappropriate, given the fact that your predecessor told me that he had given his instructions to Hydro One that affected landowners should be treated generously, that the compensation should be very—

Hon. George Smitherman: That is in the eye of the beholder—I guess that word is seen differently by different individuals. I think it's certainly been our expectation

that Hydro One's approach in resolving these matters of settlement has been with a basis towards fair and equitable pricing. I think they've already executed 50 signed agreements in keeping with those values. So I think it's not surprising, given the nature of it. It's a commercial relationship; it involves valuations. There are very many different opinions which can swirl about that, but we think it's important to let the process continue to unfold, and hopefully we'll see more people signing on.

Mr. Ted Arnott: Do you ask your staff for updates on these sorts of issues or are you briefed, say, on a monthly basis as to the progress of these—

Hon. George Smitherman: No.

Mr. Ted Arnott: I'm surprised at that.

Hon. George Smitherman: Different people are going to operate in different ways. I don't have a standing brief that says, "It's the fourth Thursday; isn't this the day of the month where you tell me about all those things?" No, that's not the way I operate.

Mr. Ted Arnott: I should think that you'd want to—

Hon. George Smitherman: I keep my eye on it.

Mr. Ted Arnott:—know how this is impacting on people—

Hon. George Smitherman: With respect, you've asked me a style question; you haven't asked me a content question. I've answered your question with respect to style. At the heart of the matter, I remain quite aware of it from sources ranging from the media to questions that I might receive in the Ontario Legislature, conversations that I might have with members of an organization like Hydro One, and the informed positions that come forward from a variety of people that I'm in contact with. But no, it's not my habit of saying, "Every fourth Thursday—isn't this when you're going to brief me about the Bruce-to-Milton line?"

1650

Mr. Ted Arnott: My constituents in many cases have asked me to continue to raise this issue with you, and that's why I'm doing so, as their representative.

Hon. George Smitherman: No quarrel there.

Mr. Ted Arnott: They wanted to meet with you. I asked a question of you in the Legislature on May 8, asking if you would meet with them, and I was surprised that you were unwilling to do so.

Hon. George Smitherman: You shouldn't have been surprised; I had told you twice that week.

Mr. Ted Arnott: It has been routine in the past that ministers have met with people who have made the effort to come to Queen's Park. You yourself, as Minister of Health—I know because I participated in one of those meetings a few years ago, where you were willing after question period to sit down and look people in the eye and listen to their stories, to see how the government's policy is impacting on them. I would have thought that you would have at least listened to them and committed to checking it out with your staff; you didn't. I was very disappointed, quite frankly.

Hon. George Smitherman: Well, you shouldn't have been disappointed or surprised, because I very candidly

told you twice that week that the likelihood of me meeting with them was somewhere between nil and some spot close to nil, so I don't know why you would have been surprised by that.

I take your point of view that you're representing your constituents, but I do think that there's a place and a time for everything, and as the process is an ongoing one, where Hydro One has requests from 80 landowners to meet with them and to present documents on the path toward, hopefully, settlement, the process continues apace. Maybe there will be an appropriate time, but I didn't feel that that was the appropriate time.

Mr. Ted Arnott: I have letters here from four of my constituents, who had been told by Hydro One that they're not going to get anything, even though they live very close to the line. Each of them has their own individual circumstances and stories. In one case, people had their home for sale and when the hydro line news broke, the sale fell through. Since that time, the property values have dropped precipitously. In another, very tragic, case, a constituent—I'll just briefly read you this letter, since you were unable to meet with one of my constituents, who was here earlier this month:

"I want you to be aware of how Hydro One has affected my life. Back in March 2007, we were notified that Hydro One wanted to twin the existing tower. As a result, it would run through the garage of our four-year-old house. It was devastating news to my family. My husband was self-employed with a landscape construction business, and we had searched for years for a property where we could live and run our business. There were very few pieces of property at that time where we could live, run a business and raise our sons in the country. Residential commercial land is almost extinct in Halton Hills.

"After searching for years for this property, the thought of starting over again was overwhelming. My husband, Dave, was part of the power line group. He attended the first few meetings. He wrote to the Independent to make the public aware of what was going on. This was also the springtime, which was the busiest time of year for landscape construction. That was coupled with the threat of expropriation by Hydro One being held over our head.

"Finally, on Sunday, May 6, a staff person from Hydro One phoned our residence at approximately 1630 hours. He spoke to my husband about e-mailing pictures of new hydro lines going through our residence, upsetting my husband as I have never seen before. Sunday was his only day off every week, and it was family day. My husband spent the new few hours conversing with one of our neighbours, who was also in the same predicament with his property.

"After midnight, my husband collapsed and later died the following day from a brain aneurysm. As a result, I am left alone to raise my two sons. My company is no longer in operation, as my husband was the heart and soul of the operation, and no employee was qualified to take over.

"Now that Hydro One has decided to twin the tower on the west side, my property value has plummeted. Last spring, there was talk of compensation for four affected homeowners whose lives were destroyed. I have yet to receive any money.

"If Hydro One gets to dictate, why weren't we told this upon purchase of our property? Had we been aware of Hydro One's intent to twin the existing tower, we would have never bought this property. Now, Hydro One Networks Inc. states that they have no responsibility for damages and the impact as made to myself and my children. As a citizen of Ontario, I find this unacceptable that they can destroy my life and then completely wash their hands of any wrongdoing.

"So as it stands, I've lost my husband, a father for my sons, a business and property value. How can Hydro One get away with this devastation?"

I bring this to your attention in this public forum because I think there's an injustice here that needs to be addressed, and I would respectfully ask you to bring this to the attention of Hydro One, as Minister of Energy, in the power that you have, to encourage them to take an approach in terms of compensation that is fair to the affected landowners, in the public interest.

The Vice-Chair (Mr. Garfield Dunlop): You've got just under two minutes to respond.

Hon. George Smitherman: Sure. Firstly, obviously I have sympathy for any circumstance where an individual has linked a matter of public policy with a health occurrence. I witnessed my father felled with a massive brain stem stroke, and I've come to understand some of the anguish that's reflected in such a letter.

At all times, I believe that Hydro One is operating with a view toward fairness, again, recognizing that people are going to value and have their own valuations. It's a very, very difficult science. In moving forward with offers for compensation associated with transmission lines, I think it's important to remind everybody that Hydro One has developed those guidelines in partnership with groups of landowners; that 50 landowners have already signed on; that many more are in the process of reviewing documents etc., with a view toward that.

I get the point. One of the first things I said as Minister of Energy was that I get that nobody is looking for more electricity infrastructure in their backyards. It does make for difficult decisions when you're talking about imposing the same in areas where people are living, and I feel that Hydro One has gone about that work with a view toward fairness.

The honourable member representing some constituents—they may express a different point of view, but I'm of the opinion that they have been operating in good faith and with a good suggestion in terms of pricing.

The Vice-Chair (Mr. Garfield Dunlop): Thank you very much, Minister. That's right on time.

I'm going to ask the committee a question right now. Mr. Yakabuski would like to leave. I don't know, Minister, if you're planning on doing your full 30-minute response after Mr. Tabuns, but if you're not, then we would go into at least one 20-minute rotation. Would—

Mr. John Yakabuski: I was going to propose a motion for that.

The Vice-Chair (Mr. Garfield Dunlop): If you could, I'd like to get unanimous consent—

Mr. John Yakabuski: I would ask the committee if I, as the representative from the official opposition, in the first hour of 20-minute rotations, could take the third 20-minute section as opposed to the first. That would alleviate my challenges with respect to time. Each hour is going to be a rotation?

The Vice-Chair (Mr. Garfield Dunlop): Yes.

Mr. John Yakabuski: If we could do spot three in that first hour rotation, I would be—

The Vice-Chair (Mr. Garfield Dunlop): If and when it begins. So that would mean that Mr. Tabuns would take the first time.

Are you in favour of that?

Ms. Laurel C. Broten: Yes.

The Vice-Chair (Mr. Garfield Dunlop): Then that's carried, and you can leave now if you want to.

Mr. John Yakabuski: Thank you very much.

The Vice-Chair (Mr. Garfield Dunlop): I'm not sure whether the minister is even going to do the full 30 minutes. He has the potential to do that if he wishes.

Mr. Tabuns, it's on to you.

Mr. Peter Tabuns: I'm assuming, Chair, that I get to ask questions; I don't have to make a 30-minute presentation.

The Vice-Chair (Mr. Garfield Dunlop): You can make a 30-minute presentation or a two-minute presentation, or you can go directly to questions to the minister.

Mr. Peter Tabuns: I know it's odd for a politician, but I'd rather ask questions than make a speech in this situation.

Following on your presentation at the beginning, Minister—and I appreciate you going through the full breadth of your ministry—on the smart meters, can you tell us what you've calculated to be the energy savings, in megawatts, for the system from the investment in smart meters?

Hon. George Smitherman: What I said in the speech was that smart meters are the enabler for strategies like time-of-use pricing. As we're just moving into the launch of province-wide time-of-use pricing, I would imagine that, to date, the measurable megawatts are negligible at best. I think we have projected, associated with our 6,300-megawatt conservation target, that smart meters are likely to produce something in the neighbourhood of 100 megawatts—86 is the number that's in my head—of reduction, as they enable strategies like time-of-use pricing to come into play.

Mr. Peter Tabuns: If we could have confirmation of the total—

Hon. George Smitherman: The deputy is making a note of that question.

1700

Mr. Peter Tabuns: Great; that would be useful. Could you provide us the study upon which that calculation of reduction demand is based?

Hon. George Smitherman: Sure. That probably would have come out of the Ontario Power Authority, but we'll look into that.

Mr. Peter Tabuns: Okay. The Sears building, the \$100-million investment: Can you tell us what the energy use reduction will be in that building?

Hon. George Smitherman: I'd be very happy to do so. We're just in the earliest phases of determining that. Our goal is to move it to a LEED gold standard or perhaps even LEED platinum, depending upon what's available. At that point I should have a good apples-and-oranges comparison of the improvement that's made. We don't have that yet, but I will ascertain and provide that to you, and also a tour of that building if you're interested at all. It's quite a remarkable building.

Mr. Peter Tabuns: No. I believe it's a remarkable building. I would be interested in knowing the reduction in energy use that is projected to come out of the \$100-million investment and—

Hon. George Smitherman: The Ontario Realty Corp. has quite a lot of that work done. Overall, in terms of the government's complex etc., we want to get started there and move into other buildings that are part of our fleet of buildings.

Mr. Peter Tabuns: In your commentary you said that you were looking at a 10% overall reduction in the OPS's carbon footprint. Can you tell me why you've set 10% rather than a more ambitious target of 40% or 50%?

Hon. George Smitherman: We can give you the stats. That's from the Ontario Realty Corp., and we can demonstrate what that's all about.

Mr. Peter Tabuns: I appreciate the offer, but more, why would you set a target of 10% rather than a more ambitious target?

Hon. George Smitherman: I was personally surprised that the number was that low, so I can't really defend it very well, in the sense that we already know that, through efforts that we've taken, we've reduced electricity consumption in the government's owned and leased spaces by 15%, so the 10% number seemed low to me as well. I don't have a better answer right now, but I'll ascertain and get you one.

Mr. Peter Tabuns: Okay, I appreciate that. The Green Energy Act, the 50,000 jobs that are projected: Is that 50,000 person-years of employment or 50,000 jobs per year over the next three years?

Hon. George Smitherman: I guess it's direct and indirect, amounting to 50,000. I'm not able to be more precise in that calculation. The deputy may have more information.

Mr. Peter Tabuns: Can the deputy speak to that, whether it's 50,000 person-years of employment, or 50,000 jobs that are continuous over next three years?

Mr. Saïd Rafi: I believe it to be the latter, but I will verify it during the course of your remarks, if I might.

Mr. Peter Tabuns: Okay, and if you could break that out between construction and manufacturing, I would appreciate that.

Hon. George Smitherman: Yes, we have some of that data. We'll be happy to share it.

Mr. Peter Tabuns: Okay. Can you tell us what your targets are for Toronto, Ottawa, Hamilton and Windsor in terms of distributed electricity generation?

Hon. George Smitherman: I don't know that those exist broken down like that, but as we move toward the integrated power system plan, it may be possible to inform those. At present, if you could imagine, because of the Green Energy Act, there's a fair bit of recalibration going on. Look at it in a Toronto context, though: We think that moving to more of a model of distributed generation gives us the opportunity, as an example, to eliminate that third transmission source into Toronto. We're working around that, but I don't know that we would have a number at present, but I'm very happy to try and give you all the information that's available through the Ontario Power Authority.

Mr. Peter Tabuns: Okay. Do you have a sense of when that calculation would be available?

Hon. George Smitherman: No, I really have gone about as far as I could. Anything beyond that, I'm just speculating.

Mr. Peter Tabuns: Okay. The estimates briefing book said that the minister instructed the OPA to review a "modest portion" of the proposed energy plan. Can you elaborate on what is and what is not being reviewed?

Hon. George Smitherman: I'll be happy to give you all the information on the directive. I think that's been public information. I'm happy to show you that again.

Mr. Peter Tabuns: Okay. Are you reviewing the 23% existing supply that comes from hydroelectric generation?

Hon. George Smitherman: We're certainly seeking to enhance the proportion of renewable energy, so we would only be reviewing that with a view toward trying to expand it.

Mr. Peter Tabuns: And the 53% supply for nuclear: Is that up for review?

Hon. George Smitherman: I think if you look at the language of the directive, it was focused on renewables and whether we could enhance our targets with respect to renewables and whether we could achieve our targets with respect to conservation more promptly. That was the more particular focus. I don't know if anyone has the actual language so I could read it into the record.

Mr. Peter Tabuns: What I'm trying to understand, Minister, is that if the percentage of hydro generation is roughly the same and the amount of nuclear generation is roughly the same and if the gas-fired generation for peaking stays at around 8%, then there's effectively a ceiling on the amount of new renewable generation that comes online.

Hon. George Smitherman: That's been an argument that people have made, but I think the difficulty with it is that you're calling a ceiling as if we've already achieved the full potential of renewables to fill that space, much less that the IPSP is already designed in a way that allows a review every three years. So if you think about our energy supply mix, it's evolving. It has evolved quite a bit in the last four or five years. We see a pretty sub-

stantial hole for thousands and thousands of megawatts of additional renewable energy. They're not built yet. We've created a framework which allows them to come forward, and as that occurs, say three years from now, there'll be an opportunity again to review the IPSP with that new information at hand.

I think what we're focused on at the moment is that very substantial hole for megawatts—probably what, maybe 15,000 or something like that; well, 15,000 megawatts at \$2 million or \$3 million a megawatt—and what you're basically saying is, "Well, after we get \$30 billion worth of additional investment in renewables, there's going to be a ceiling." I'm quite a bit more focused on trying to bring those billions and billions of dollars of investment to life, recognizing that the energy supply mix is open to review every three years in the context of the IPSP. That's built right into the framework of the IPSP.

Mr. Peter Tabuns: But the reality of what you're saying is that then the nuclear portion is open to review. If there's that uptake on renewable energy that is more rapid than you expect, and frankly in Germany there's pushback from the nuclear interest and the coal interest because there's so much renewable coming online, are you actually saying, then, that there is not a reserve percentage of the mix for nuclear?

Hon. George Smitherman: I think what I'm saying is that if you think about nuclear, you're talking about it as just "nuclear"—a word and a number. If you think about it, it's 20 different reactors or what have you, and associated with each of them is a necessary consideration for strategies around retrofit or not, refurbishment or not. So even within the nuclear line there is tremendous opportunity every three years for consideration on a unit-by-unit basis: What are Ontario's needs? What's the long-term viability of this reactor? Is it worthy of refurbishment etc.? Even within that line, there's much opportunity for consideration, more detailed on a unit-by-unit basis.

Mr. Peter Tabuns: I just want to be very clear, though. You're saying that the goal—and there was a document that the OPA put out at about the time you made your announcement about the Green Energy Act—of having 53% of the supply mix coming from nuclear is not fixed, that in fact it could be far less than 53%.

Hon. George Smitherman: I'm saying it's a reflection; it's a snapshot with what we can see in a current and short-term realm. What I'm offering is that on an ongoing basis, policy-makers and decision makers will have opportunities to consider whether that's the right number.

Our goal has been to have a renewal of our nuclear fleet at around the same ratios of utilization in the overall energy supply mix as we had for a while in the province of Ontario. We see a very, very substantial opportunity for tremendous investment in renewable energy, and three years from now and six years from now, people who are in roles like yours and like mine will have an opportunity for that discussion and that debate.

We look at the overall age of our reactors and we see the necessity because we believe in nuclear energy on the

long term. It's been a very, very important part of the energy supply mix in Ontario for nearly 40 years. We see the necessity of looking to invest in new reactors, not to say additional reactors but to, overall, make our fleet newer. The proposal for two new units at Darlington is with a view toward making sure we're taking the steps that will not create a situation at any one time where all of Ontario's nuclear fleet is in need of refurbishment or replacement. Just as if you had a fleet of 20 trucks or 20 bicycles, you'd look to try and stagger their age and to make necessary investments in their renewal from time to time.

1710

Mr. Peter Tabuns: The ministry goals: If a key priority of the ministry is ensuring that Ontario's electricity needs are met in a sustainable manner, and a top strategic objective for the ministry is ensuring a clean, affordable and sustainable energy system, why is the government moving ahead with refurbishing and building new nuclear reactors, which are neither clean nor sustainable?

Hon. George Smitherman: I know that there's not agreement in the environmental community on the issue of cleanliness. I hear that with respect to the discussions that will go on in Copenhagen, nuclear is very, very clearly part of the solution mix as people are seeking to try and have energy supply that is conducive to our goals to positively impact the climate agenda. So I just want to mention that there are some notable folks, some who used to campaign with you and perhaps no longer do, who do take the view that nuclear is clean. It's got a very good track record here in the province of Ontario. It's been a very, very substantial provider of electricity for a long time. It's providing a lot of the electricity that we need today in the province of Ontario as we speak. Accordingly, Ontarians, who were very, very aware of the government's plans in the last election, chose to support our government and to give us the mandate to continue apace with our plans to make sure that Ontario's nuclear fleet is relatively newer than exists now. That isn't to say that there will be more nuclear, just that they have a lifespan. Older units give way to newer units, just as old cars are retired and replaced with new ones—or bicycles.

Mr. Peter Tabuns: And at times technologies are replaced by other technologies.

Hon. George Smitherman: Absolutely. I think that the Green Energy Act is a very, very bold statement about our government's view. Some people called for caps or targets, which in my way of thinking is actually pretty much the same thing. We've created a model here with the feed-in tariff which sends the message that we're open for green business and that the bounty of Ontario, which because of our vastness offers many, many exciting renewable energy opportunities—we're hanging that sign out for the whole world to see, "Please come here and invest"—in helping to see our green energy, which we've made some good progress on in the last few years, emerge at a much more rapid pace.

Mr. Peter Tabuns: So if in fact the uptake on renewables is such that more renewables are being built

than the current space allocated in the supply mix that you've planned for, if the uptake in renewables is such that nuclear power already in existence becomes redundant, are you going to continue to fund new renewable power as it comes on stream?

Hon. George Smitherman: I think those are hypothetical questions for downstream. I would just say that the scenario that I think has to be built into that question actually has quite a bit to do with transmission capability. What I mean is, well before we get to that point, the question will be whether as a government we're prepared to make the investments that unlock a lot of the renewable potential which you and I both know is hard to get to the market where it's required absent of some additional transmission capabilities. So I think that you've kind of got the chicken and egg a little bit out of sequence.

Mr. Peter Tabuns: No, no, I think the chicken and egg are doing okay here. The question is, you're saying that there is no cap on the amount of renewable power that can be constructed in Ontario and renewable electricity that can be fed into the system; is that correct?

Hon. George Smitherman: What I said was, and what I've said about—

Mr. Peter Tabuns: I'm trying to understand.

Hon. George Smitherman:—five or six times now, is that if you look at the integrated power system plan, if we look at what we're facing right now, we have a tremendous opportunity for an extraordinary array of new renewables to come online. If that occurs—and I'm very hopeful that it will, and I see early and positive signs about those investments—then three years from now and six years from now, all involved policy-makers will have an opportunity to visit the IPSP and to determine whether the energy supply mix that was determined today is exactly the right one for three years from now or six years from now, on a go-forward basis. For right now, we put out the sign, "Open for business," and we try to encourage renewable energy to fulfill this very exciting and substantial opportunity.

Mr. Peter Tabuns: And the opportunity is defined by the opening that you see in the supply mix right now?

Hon. George Smitherman: Well, however you measure it—we could have this discussion back and forth all day. It's 10,000 or 15,000 megawatts and it's billions and billions and billions of dollars, so rather than get myself all hunkered down in a debate about what might be down the road, I'm very focused on the opportunities of the moment: to encourage renewable energy to come online, to build additional transmission capability which unlocks future renewable energy, in the recognition that an energy supply mix is evolving, as it has in the last several years, and that every three years, by design, you get an opportunity to take a look at how you're doing.

Mr. Peter Tabuns: I'll ask a question, but I'll just make a statement: The reality is that when you make a decision to build two new reactors at Darlington or when you put several billion dollars into a new supply line, you are determining what the mix will be for decades. Those are not decisions that come up every three years; those

are decisions that lock in a society and an economy for an extended period of time, and—

Hon. George Smitherman: That's not fully accurate, really, is it?

Mr. Peter Tabuns: Really?

Hon. George Smitherman: Because obviously a product is around for a certain period of time, so we have installed capacity in Ontario north of 30,000 megawatts.

Mr. Peter Tabuns: Right.

Hon. George Smitherman: We're talking about two new reactors at Darlington, between 2,000 and 3,200 megawatts in total. But please keep in mind that all of those existing nuclear units that we have, some of them date back to the 1970s and many of them to the 1980s. Obviously, they have a shelf life which is relatively limited.

It seems like the scenario that you're creating is that new units are piled upon existing units. The point that I'm making is to say, we're talking about having a fleet that is consistent in its overall capabilities but that is staggered by age, so that we're not in a situation where all of the units are exactly the same age and might all be required to be refurbished or replaced at exactly the same time. So I think it's a very orderly way to do it.

As I mentioned, the people of Ontario, in the last election, had an opportunity to speak with their vote on whether they supported a government that was going to renew our nuclear fleet. We were very transparent about it, and the results of the election are quite transparently known as well.

Mr. Peter Tabuns: Having canvassed in the same election as you, I have to say that at the door, faith-based funding was far more of a discussion item than nuclear power.

Hon. George Smitherman: Well, it's very—

Mr. Peter Tabuns: And I will say that that was far more determining in the vote than Ontario's energy future.

The Vice-Chair (Mr. Garfield Dunlop): Let's not go back there.

Mr. Peter Tabuns: Well, some were more scarred by the experience than others.

Will you be making a decision about the refurbishment or closure of Pickering B in 2009?

Hon. George Smitherman: I think it's been our expectation, yes, that Ontario Power Generation and their board would be considering this matter and sending their advice along to the government of Ontario. I think I've spoken publicly to say that I anticipate that that's a 2009 decision point, yes.

Mr. Peter Tabuns: Okay. In December 2008, the IESO stated in their paper, *The Ontario Reliability Outlook*, that the 2,000-megawatt capacity from Pickering B and the 1,000 megawatts from Pickering A "might be replaced with stepped-up implementation of conservation, more installation of renewables, more intensive operation of existing gas generation, the introduction of new-build gas generation or higher volumes of imports." Was that an accurate statement on their part?

Hon. George Smitherman: I have no idea, but I'm a little bit—I've got to assume so. But just by raising the question, am I to assume that you're now in favour of the importation of coal or that you want to step up the use of fossil-fired gas generation?

So I think what the IESO report—and they've had more recent reports as well—indicates is that we've got very good stability of supply, that we're making excellent progress towards the elimination of coal, North America's largest climate change initiative, and highlighting that there are always, in any energy supply mix consideration, opportunities to look at alternatives.

1720

Mr. Peter Tabuns: Just for the record, no, I don't support importing coal-fired power from the US Midwest. There's an opportunity to put in place renewable power, conservation, and importing, if we must, hydro-electric power from Quebec. The question for me is, if there are all those options there, why are you even considering replacing Pickering B with a new nuclear power—

Hon. George Smitherman: But we're pursuing all of those options that you just mentioned. There are three things that you liked there. We're the ones who have invested several hundreds of millions of dollars in a 1,250-megawatt inter-tie with the province of Quebec. It enhances our capacity not just to get their hydro, but also, frankly, to sometimes trade off our overnight nuclear capacity, as a small example. Obviously, in terms of renewables, we both agree that there's a substantial opportunity for thousands and thousands and thousands of additional megawatts, to the tune of billions of dollars of investment. We're pursuing that vigorously through the Green Energy Act, and we appreciate your support. On conservation, we have a really substantial goal: 6,300 megawatts is enormous. Through the Green Energy Act, we seek to add another \$900 million of conservation-related investment to assist homeowners and business operators to transition themselves to lower overall energy use and to add to our ability to meet our future needs with more conservation.

So I think that on those three points that you mentioned, our government's energy policy is operating in each of those realms.

Mr. Peter Tabuns: Can I assume, then, that you're predisposed now to not refurbishing Pickering B?

Hon. George Smitherman: I think you asked me earlier if the government of Ontario would be making a decision in this calendar year about the future of Pickering, and I said, yes, we would. Ontario Power Generation and their board will send us some advice, and at the appropriate moment, I'll be sure to let you know what our viewpoint is, along with the rest of the people in Ontario.

Mr. Peter Tabuns: The reactors at Pickering are unusual, in that eight reactor buildings are supported by only one containment system, and the containment system can only deal with one accident at one reactor. Is that correct?

Hon. George Smitherman: The first part I know to be the case, but I'm not certain of that latter point. Of course, at Pickering, some of the units are no longer operating and not subject to any refurbishment.

Mr. Peter Tabuns: Can anyone in your ministry speak to that point?

Hon. George Smitherman: Yes, we'll seek to get that information for you.

Mr. Peter Tabuns: In August 2007, the Canadian Nuclear Safety Commission wrote, "At Pickering B some initiating events could produce multi-unit accidents."

Hon. George Smitherman: Was that their full report? That one line?

Mr. Peter Tabuns: I'm sure there was more, Minister.

Hon. George Smitherman: Obviously, the CNSC is the regulator for the operation of nuclear units, all of those that we have in the province of Ontario, and the nuclear units go through extraordinarily rigorous regulation from CNSC. They have many staff on site at each of the nuclear facilities. Ontario Power Generation and Bruce Power work vigorously, of course, to be in compliance with all directives of the CNSC.

Mr. Peter Tabuns: I look forward to the report back from your staff, but if in fact a multi-reactor accident is possible, have you looked at limiting the output from that reactor so that the containment system can protect the population living around that reactor?

Hon. George Smitherman: I think I've already indicated that on the nature of those questions, I'm going to take those under advisement and seek to get you the very best information in response.

Mr. Peter Tabuns: Okay. Has the government revised its cost estimates for new nuclear reactors since 2005?

Hon. George Smitherman: I think that it has only ever been—if I'm right—the Ontario Power Authority that has ventured, in the past, some cost estimates associated with new nuclear units and refurbishment. I've always said that pricing isn't fully known until such time as you've actually engaged in the choice of a proponent. They've got their technology licence to be able to construct it and the like. I'm not aware of an estimate that we have on these matters. I find the nature of estimating on any large infrastructure project that has a 10-year build-out to be a highly suspect science. Just like when Christopher and I undertook that little renovation of the apartment that we just moved to—six weeks later, the final price didn't look like what it was at the beginning. So I'm always one of those that holds with some suspicion the ability of folks to project what those costs are on a project that is big and takes 10 years to complete.

Mr. Peter Tabuns: At the OEB in 2007 the OPA indicated that overnight the capital cost of \$3,600 per kilowatt for nuclear stations would be uneconomical. Do you concur with their conclusions?

Hon. George Smitherman: Again, I don't have history on that point, but I believe that the regulated price

that we are paying for nuclear power is north of the number that you quoted, and perhaps that stands as best evidence in answer to that point.

Mr. Peter Tabuns: Sorry—

The Vice-Chair (Mr. Garfield Dunlop): Only about two minutes left.

Mr. Peter Tabuns: Minister, maybe I wasn't clear. That's the capital cost.

Hon. George Smitherman: Oh, sorry. Could you ask—

Mr. Peter Tabuns: Three thousand, six hundred bucks per kilowatt installed, the capital cost for nuclear.

Hon. George Smitherman: I have no knowledge. I'm not even particularly familiar with analysis of capital cost on that basis. More typically, when I'm looking at these things it would be towards trying to understand projections of what all-in costs would be. We could take that one and try and get you an answer, but it's not a report that I'm familiar with or particularly in a language that I'm familiar with.

Mr. Peter Tabuns: You were recently reported as suffering sticker shock from having seen the reports, the prices that came forward from proponents. Was that an accurate report in the Globe?

Hon. George Smitherman: I think the Globe and Mail has a particular difficulty getting stories about nuclear power right.

Mr. Peter Tabuns: I'll keep that in mind.

Hon. George Smitherman: I mean, Ms. Howlett's earlier intervention on the subject of nuclear power had one of the three proponents dropping out of the process and printed that as if it was factual, and I found that that latter story lacked a factual foundation as well.

Mr. Peter Tabuns: Moody's bond rating estimated the capital cost for new nuclear power plants at about \$7,500 per kilowatt, which is substantially more than the OPA felt was economically viable for building nuclear. Is there a price at which you would abandon the nuclear venture in Ontario?

Hon. George Smitherman: I'll say two things. I've said many times to the media that of course it's our obligation to seek to purchase new nuclear capacity well. Yes, of course price is one of the considerations. We have an obligation to be mindful around that, like I mentioned a second ago, more typically looking at all-in price as opposed to one element of cost alone. You have to look at what is the length of the asset and look at it over that stretch of time. The tunnel at Niagara: The price has gone up, but it's got a 90-year life and that helps to assuage some of that impact.

Yes, of course we're going to be sensitive on matters of a price. We're seeking to try and make a very good purchase on a very big product.

The Vice-Chair (Mr. Garfield Dunlop): That cleans up the time on this particular rotation.

Mr. Peter Tabuns: Oh, Chair.

Mr. Saäd Rafi: Chair, can I just close out the question—

The Vice-Chair (Mr. Garfield Dunlop): Go ahead. Yes, sure.

Mr. Saäd Rafi: You'd asked about the jobs, Mr. Tabuns. Direct and indirect jobs over three years is what the 50,000 refers to.

Mr. Peter Tabuns: Yes.

Mr. Saäd Rafi: It's a conservative estimate and it's based on multipliers.

I think you also asked about what percentage of those jobs were construction. So again, approximately 15,000 of the 50,000 would be construction jobs.

Mr. Peter Tabuns: I'm sorry, is that in person-years of work or 50,000 people working full-time every year for three years?

Mr. Saäd Rafi: Right. It's very difficult to say how many of those jobs would continue on in manufacturing, in servicing. We have been very careful not to overreach on both the number and its specific accuracy. So when I say "direct and indirect jobs over those three years," the construction jobs of course would not be permanent jobs.

Mr. Peter Tabuns: Right.

Mr. Saäd Rafi: I've just tried to give you an indication at a very high level because our calculations were not that granular, nor should they be, before we see the take-up in the investment interests out there.

Mr. Peter Tabuns: I understand and I appreciate you qualifying it, but there's a difference between 50,000 person-years of employment and 15,000 people being employed on an ongoing basis—15,000 people per year at 45,000 person-years of employment over three years. Can you tell me which you were using?

1730

The Vice-Chair (Mr. Garfield Dunlop): Feel free to comment if you'd like to—

Mr. Saäd Rafi: What we're trying to get across is, it is a mixture of both, because the construction jobs are going to last for as long as the construction is undertaken. Some of the other jobs, such as manufacturing of renewable energy systems and the servicing jobs, they would, quite potentially, be permanent jobs going beyond three years.

Mr. Peter Tabuns: I understand. Can you tell me, in that 50,000, how many are permanent and how many are person-years of employment?

Mr. Saäd Rafi: I don't think anybody could tell you that in a definitive way.

Mr. Peter Tabuns: No, but your estimate is based on something. If you come up with a number of 50,000, you've added a lot of stuff up to come to that.

Mr. Saäd Rafi: Potentially 35,000 could be ongoing jobs; 15,000 would be construction. So one could surmise that 50 minus 15 is 35: 35,000 jobs could be—could be—ongoing jobs.

Mr. Peter Tabuns: Thank you. That's much clearer.

The Vice-Chair (Mr. Garfield Dunlop): The minister's just taking a quick break, here. So that wraps up the third party's opening 30 minutes. When the minister comes in, I'll give him a chance to respond for anything he may want to say, and for whatever time he

doesn't use we'll go right back to Mr. Tabuns, and then after his 20 minutes we'll finish up. Okay? I'm not sure whether the minister wants to say anything or not; we haven't got that clarification from him. I have a feeling he'll come back and say something.

Here he comes. Minister, you have an opportunity here now to spend up to 30 minutes or whatever time you'd like to spend responding to anything that was said here this afternoon, or we can go right to—

Hon. George Smitherman: No, let's just keep rolling.

The Vice-Chair (Mr. Garfield Dunlop): In that case, then, Mr. Tabuns, we'll go right back to you. You've got the next 20 minutes and then we'll adjourn after that.

Ms. Laurel C. Broten: The best-laid plans—

Mr. Peter Tabuns: Of mice and parliamentarians.

Hon. George Smitherman: Thirty minutes was a lot, so I didn't really want to have to talk. I didn't want to subject everybody to more of that.

The Vice-Chair (Mr. Garfield Dunlop): It wasn't bad. We've had a good afternoon so far.

Mr. Peter Tabuns: Calls of "encore" from the other side of the room are not appreciated by either the opposition or the minister. There's a common purpose here.

Mr. Bob Delaney: Careful, Peter, if you're asking us to make a value judgment between listening to George and hearing you, and that may be—

Mr. Peter Tabuns: I know; it's tough call. It's a very tough call for everyone in the room.

Minister, your briefing book refers to nuclear power as low-emission, and you regularly refer to nuclear power in the Legislature and elsewhere as zero-emission. Which of those statements is correct: zero-emission or low-emission?

Hon. George Smitherman: To the very best of my knowledge, zero emission is the right characterization. As I mentioned before, I believe that the discussions in Copenhagen will be instrumental in clarifying this.

Mr. Peter Tabuns: Your briefing book indicates that Ontario's nuclear plants release minimal greenhouse gases. We'll go with your zero. The greenhouse gas emissions of the full life cycle of nuclear production, including mining of uranium, building of plants, disposal of waste: How does that compare with other sources of energy—the full life cycle?

Hon. George Smitherman: That is an area of valuation that I notice is coming more and more to the fore, but I'm aware of no comparison on the various forms.

Mr. Peter Tabuns: There was an article—

Hon. George Smitherman: I can give you a small example.

Mr. Peter Tabuns: Go ahead.

Hon. George Smitherman: We build two new units at Darlington. We have almost no additional requirement for transmission. You might look at some renewable energy and say, "Oh, well, that has less of an impact," but if a transmission line is what's required to enable it, obviously it will. So when you start to look at it from that perspective, there are quite a few different things in that

basket that you want to consider. One advantage that we know we have at Darlington is from a transmission line capability. So I think you have to be careful about the way you compare those things. But that's something that I haven't seen: a source-by-source-by-source comparator.

Mr. Peter Tabuns: There was an article—

Hon. George Smitherman: Some of that's about economic opportunity for our friends in the building trades and those sorts of things as well.

Mr. Peter Tabuns: Energy Policy magazine, in a June article, reviewed full-cycle greenhouse gas emissions and found that nuclear energy emitted six times the greenhouse gas emissions of wind and five times the GHGs of solar. Is this in line with your government's assessment of the GHG emissions from the different sources?

Hon. George Smitherman: I don't know that publication; I don't know the author of the study. I can't validate the information in the study. I don't know whether they've taken into consideration the life cycle of the product and the like, so I'm not really well positioned to accept or to characterize those things that you're commenting on.

Mr. Peter Tabuns: Then I'd ask if your ministry could actually take a look at that, because in fact the greenhouse gas emissions from the different sources of power are a consequence, as I'm sure you're aware. And if that rebalances one's thinking about nuclear power and its emissions, or lack of them, that would be useful for us to have as part of your public policy assessment.

Hon. George Smitherman: Sure. We'll see what we can do in terms of creating the kind of apples-to-apples comparator that people would want to know that we are working on, on that basis.

But I just do note for the record that you mentioned wind and solar, and of course, we're promoting the integration of these in a more substantial way into our energy supply mix. With things like our domestic content rules, we would anticipate that the situation that's occurring quite often now, where 120-tonne wind towers are being shipped here from Europe, would be an obvious opportunity to try to diminish, if you will, their greenhouse-gas and climate-change impact by having more local manufacturers.

So yes, we'll be happy to take a look at the study that you've mentioned and see what we can take away from it.

Mr. Peter Tabuns: I'd appreciate it. On May 21, Minister Bartolucci urged Sudbury city council to veto any plans to site nuclear waste in Greater Sudbury. He said, "Our community must be clear in our message to city council that we do not want this type of storage in our community. There is no dollar figure, no salary, and no number of jobs that would be worth risking the health of our children, our landscape and our future."

Do you concur with Minister Bartolucci that there are health risks associated with the storage of radioactive nuclear waste; that is, spent fuel rods?

Hon. George Smitherman: No. I've been very clear in saying that while I understand that as an elected

member of the Ontario Legislature, in a process which is designed to seek out—the first thing I should say is, this is a federal government entity that is responsible for finding long-term siting for spent fuels. I understand that Minister Bartolucci, as an MPP, may want to be involved in such a discussion. It's not a position that I hold. I think that from our experience here in Ontario, we've been able to very, very safely manage the spent fuel which has been part and parcel of our four decades of nuclear power generation in the province.

At the same time, I just want to reiterate that the core principle of that process, which is being led by a federal government organization, is to seek out a willing host. I think that in keeping with that, the community of Sudbury is having its debate, and other communities will have the opportunity to have theirs, too. It's a very, very long-term plan.

Mr. Peter Tabuns: The Nuclear Waste Management Organization is a federal organization; no argument around the table. But the bulk of the spent fuel rods that they'll be dealing with will be generated here in Ontario, and we're about to make decisions that will put a lot more of those fuel rods into storage. So you see no health risks from the storage of nuclear waste?

Hon. George Smitherman: Uranium is mined and comes out of the ground with a level of radioactivity. The proposals are that after a period of use as fuel, efforts are made at nuclear sites to have that spent fuel be in pools of water for a period of time and subsequently encased in technologically advanced cement-laden containers. It seems like there has been a very good track record in the province of Ontario with our ability to manage spent fuel, both in a safe way and by volumes overall.

1740

I think it's a very, very important process that encourages communities to consider it and gives ample opportunity for a very, very involved conversation to occur in any community that might be considering it. I know that organization is, at present, travelling about the country and doing a series of forums to enhance understanding about it.

Mr. Peter Tabuns: We've had nuclear waste to deal with in Ontario for the last 40 or 50 years, and in order to be safe, we're going to have to store this material away from the biosphere, away from people, for tens of thousands of years. Do you think you can extrapolate the experience of the last few decades reliably over thousands of years?

Hon. George Smitherman: I think it is possible for people like you to construct this discussion in a way that it's just the world's biggest "gotcha" question.

Mr. Peter Tabuns: My goodness.

Hon. George Smitherman: You're asking me, a mere mortal, to talk about something in a 10,000-year period. The geological formations from which the uranium was extracted have been in play for a substantially long period of time. I think there are many people far more expert than me who can give good technical advice about ways to encourage this safely.

I would say that our experience over just four decades of dealing with spent fuel would seem to lend confidence to longer-term solutions that would only be arrived at after an extraordinary degree of community engagement and technological exploration.

You're talking here about periods of 10, 20 or 30 years to make determinations and bring such capability into service. I think it shows due caution and appropriate prudence to make sure that such a big decision is not taken lightly and that it's implemented in a very, very effective way. Yes, I can gain confidence from collective ability to accomplish that.

Mr. Peter Tabuns: First, I'll say it wasn't posed as a "gotcha" question; it was posed as, if you look at the reality of human history and you look at the span of time within which we're dealing with an extraordinarily toxic material, one that, when it exists in the form of ore, is not concentrated in the way that the radioactive material is in these fuel rods—

Hon. George Smitherman: The fuel rods, post-cool-down and at the point of storage, have substantially diminished, in the context of their concentration—very, very substantially, as you know.

Mr. Peter Tabuns: People still have to be shielded from them when they're handling them.

Hon. George Smitherman: This is part of the precautionary nature of such things, just as people are shielded from the risk of breaking their head open and are encouraged to wear a bicycle helmet. There are attendant risks, and depending upon the nature of the risk, we take steps to mitigate it. Nobody would be surprised, therefore, that associated with the handling of spent nuclear materials is an extraordinary array of cautions, as has been appropriate.

I have had the chance to be within a few feet of such material and to have been regulated in terms of whatever exposure I might have had to same. I feel very confident about our ability to do that, and like I mentioned, our track record here in the province of Ontario has given us some confidence about our ability to manage these things with all necessary caution—an abundance of caution—and all necessary prudence involved.

Mr. Peter Tabuns: So it seems fair, from your comments, to say that you feel that deep geological storage of radioactive waste will be safe over the long term, because even the Nuclear Waste Management Organization is not sure of long-term safety. In their 2005 final study of waste storage options, they stated that "advance 'proof' that" deep geological disposal "works is not scientifically possible because performance is required over thousands of years." They don't know if it's going to be safe. It's a crapshoot.

Hon. George Smitherman: I think, with respect, if you want to put them on your stand, on trial, you should do that, because I do believe you've taken a comment substantially out of context, and I see that it's what you and your party leader are relying upon.

The commentary that's there is that this is really the nature of the "gotcha" question. Of course it's very, very

difficult—how could you imagine finding an expert in science of any form who was able to sit on a stand and offer categorical, 100%, unequivocal confirmation of something taking place over that period of time? So I think that's the nature of the question in and of itself. It's designed to get the answer that you want.

My opinion is that, based on the track record that we have of handling spent nuclear materials, with all of the prudence around finding appropriate sites both from a community standpoint and from a geological standpoint, with all of the time that is expected to be taken to do that right, it can be accomplished. I don't think that those 15 or 20 words that you read live up to the billing that you gave them at the front end.

Mr. Peter Tabuns: In fact, when I ask you this question, it's because you're the person in authority who is making decisions about the generation of some of the most toxic material—not "some of"—the most toxic material that humanity has ever generated, and you are going to leave a legacy for hundreds, if not thousands, of generations of profoundly toxic material, which no one at this point could conclusively say can be contained safely over a long period. So when I ask you, I ask you because you're in a position of authority. You are driving forward investments in energy whose consequences will be felt by many, many generations. We will get all the benefit. No question—we get all kinds of benefits: the job creation, the electricity now. But for thousands of years, if in fact this plan doesn't work well, there will be generations who will have to deal with toxic material from which they gain no benefit but very long-term negative consequences. And that's why I ask you. It's not a question of "gotcha"; it's a question of, are you assessing this in a way that, frankly, we've tried to assess the climate change issue?

If you look at climate change, we have been pumping carbon dioxide into the atmosphere. The generations that come after us are going to suffer the consequences of that. We got all the benefit from very comfortable lifestyles. You're in a position of authority. You're making a decision that will impact for thousands of years, and frankly, you've got a situation where you need to make a decision that doesn't leave our descendants with a toxic legacy, and that's where you're going right now.

Hon. George Smitherman: This is not a question; this is just part of a speech. If you have a question, I'd be happy to try and answer it.

Mr. Peter Tabuns: Why don't you live up to your authority and responsibility and protect future generations?

Hon. George Smitherman: I think that the range of the questions with respect to the storage of nuclear materials has been well addressed so far. I'm very satisfied that a process that is designed to take stock of communities' views and to take the time necessary to take stock of all appropriate knowledge around technology, containment and geological formation can arrive at a very, very good decision. I know that from our 40-year history in the province of Ontario, we have spent fuel. It's quite well

contained at present and it lends me very good confidence about abilities to do so going forward. I accept the point that that's not your view, but nevertheless, we have had here in the province of Ontario a very long record of utilization of this form of electricity generation. We've also had a more current debate, one that included the people of the province of Ontario, and there's very strong support for nuclear energy.

I think the other thing that's quite noteworthy is that the places in the province of Ontario where you would find the highest degree of support for nuclear energy are the places where it's actually produced. I think that also stands as a very strong recognition on the part of those people. You may suggest, as you kind of just did a second ago, "Well, maybe they're putting economics ahead of their safety." But it has not been my experience that most communities are prepared to view circumstances like that. If we go to the Bruce, if we go to Clarington, these are places where nuclear power enjoys a very high proportion of support from local communities, and I think that's a very important commentary about the sense of safety that they associate with it.

It obviously has to be treated very seriously, and no one is suggesting otherwise. That's why the Nuclear Waste Management Organization's processes, by their design—they are going to take a long time to arrive at the right decision and to do so in partnership with local communities.

The Vice-Chair (Mr. Garfield Dunlop): We're down to just a quick minute here, so if there's a quick question, Mr. Tabuns.

Mr. Peter Tabuns: Is a new nuclear plant at Nanticoke on the table?

Hon. George Smitherman: A new nuclear plant at Nanticoke is not, for me entirely, to take off the table. What I mean is, anyone can choose to initiate an environmental assessment for the purposes of siting a plant, and Bruce Power has chosen to do that, but without any instigation or arrangement with the government of Ontario with respect to purchase of power from said plant. A private entity has decided to undertake such a study. They see an economic opportunity associated with that, and it is within all of their rights and privileges as an entity to undertake that, but it is not the province of Ontario's initiative, and it's not the province of Ontario's intention to be involved in the encouragement or purchase of any power that might theoretically be created by such a facility.

Mr. Peter Tabuns: So you don't plan to buy any power from this plant?

Hon. George Smitherman: I just said that.

Mr. Peter Tabuns: I just wanted to confirm it.

The Vice-Chair (Mr. Garfield Dunlop): Ladies and gentlemen, that's been a very good, co-operative afternoon. If we could ask, Mr. Tabuns, maybe you could direct that one article you had—the clerk would like to have it and make copies of it.

Mr. Peter Tabuns: Yes.

The Vice-Chair (Mr. Garfield Dunlop): To everyone else, thank you so much this afternoon for attending, Minister Smitherman and the staff at the ministry. We will adjourn the meeting now and we will reconvene on Tuesday morning, June 2 at 9 a.m.

The committee adjourned at 1754.

CONTENTS

Wednesday 27 May 2009

Ministry of Energy and Infrastructure	E-679
Hon. George Smitherman, minister	
Mr. Saäd Rafi, deputy minister	

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