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**Wednesday 24 February 2016**

**Journal  
des débats  
(Hansard)**

**Mercredi 24 février 2016**

**Standing Committee on  
General Government**

Energy Statute Law  
Amendment Act, 2016

**Comité permanent des  
affaires gouvernementales**

Loi de 2016 modifiant  
des lois sur l'énergie

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES**

Wednesday 24 February 2016

Mercredi 24 février 2016

*The committee met at 1601 in committee room 2.*

**ENERGY STATUTE LAW  
AMENDMENT ACT, 2016  
LOI DE 2016 MODIFIANT  
DES LOIS SUR L'ÉNERGIE**

Consideration of the following bill:

Bill 135, An Act to amend several statutes and revoke several regulations in relation to energy conservation and long-term energy planning / Projet de loi 135, Loi modifiant plusieurs lois et abrogeant plusieurs règlements en ce qui concerne la conservation de l'énergie et la planification énergétique à long terme.

**The Chair (Mr. Grant Crack):** Good afternoon, everyone. I'd like to call the Standing Committee on General Government to order. We are here to continue public hearings with regard to Bill 135, An Act to amend several statutes and revoke several regulations in relation to energy conservation and long-term energy planning.

We had a very successful day on Monday, and we have four delegations here with us this afternoon who will present for 10 minutes, followed by up to nine minutes of questioning from each of the three parties. I'd like to welcome everyone.

**CANADIAN ENVIRONMENTAL LAW  
ASSOCIATION**

**The Chair (Mr. Grant Crack):** We will start with the first delegation, from the Canadian Environmental Law Association. I believe we have the legal counsel with us, Jacqueline Wilson. We welcome you, and you have 10 minutes.

**Ms. Jacqueline Wilson:** Thank you. My name is Jacqueline Wilson. I'm a lawyer with the Canadian Environmental Law Association. The Canadian Environmental Law Association is an Ontario legal aid clinic. Its mandate is to use and improve laws to protect public health and the environment. Our priorities include renewable energy and sustainable long-term energy planning.

We are opposed to the bill. I have passed out a written brief which provides more detail on our opposition to this bill, on behalf of seven public interest organizations all opposed to these changes.

In my presentation today, I'm going to focus on three issues. The first is the reduced accountability for long-

term energy planning brought in by Bill 135; in particular, the concentration of power for long-term energy planning with the minister and the reduced role for the Independent Electricity System Operator and the Ontario Energy Board. The second issue I will address is the decreased opportunities for public participation in the system brought in by this bill; in particular, our concern with the reduced access to documents. Finally, the third issue I'm going to address is that environmental considerations have been sidelined by this bill. There's no mandatory duty on the minister in the long-term energy planning process to consider a whole slew of very important environmental concerns, and the long-term energy plans are again exempted from the Environmental Assessment Act.

In terms of reduced accountability, power is concentrated now for long-term energy plans with the minister. The power of other actors in the system has been significantly reduced by the amendments brought forward in Bill 135.

The Independent Electricity System Operator used to be responsible for integrated power system plans, and under regulation 424/04, section 2(1), there are mandatory requirements for what the IESO had to consider in making its plans, including to consider the implementation of conservation, energy efficiency and demand management measures; to ensure that safety, environmental protection and environmental sustainability are considered; and to ensure that for each project that would require an EA, it would be analyzed for its environmental impact and alternatives would be analyzed as well. Those plans were then submitted to the Ontario Energy Board for independent review.

Under Bill 135, the IESO's role has been very significantly reduced. It now provides only technical reports for the minister, and the requirements for those technical reports are extremely vague. In section 25.29(3), it states that the technical reports will look at "the adequacy and reliability of electricity resources with respect to anticipated electricity supply, capacity, storage, reliability and demand." There are no requirements to study the environmental impacts and alternatives to the plan.

The IESO's other main role in terms of long-term energy planning is to create implementation plans, but those are created only after the long-term energy plan is already issued, and the minister still maintains control and authority to approve those plans.

It's a similar story with the Ontario Energy Board. Under the old system, the Ontario Energy Board hearings would provide an independent eye and look at the IESO's plans. Those included significant public participation rights. That power has been completely removed by this bill. There's absolutely no independent review of the long-term energy plans contemplated by this bill.

CELA's recommendations on the role of the IESO and the OEB are to:

- remove the amendments from Bill 135 which concentrate power with the minister;

- reintegrate a broad planning role for the IESO in developing long-term energy plans; which includes the study of environmental effects and alternative proposals; and

- make it mandatory to have an independent review of the long-term energy plans by the Ontario Energy Board.

Our second major concern with Bill 135 is the decreased opportunities for public participation. Transparency and accountability are significantly undermined by the reduced role for the public contemplated by Bill 135. There's no public consultation on the IESO's technical reports, and then the long-term energy plan consultation is narrow. The public will not have access to all the documents that it needs to look at, understand, review and challenge those plans. Section 25.29(5) states that the minister must only publish "any relevant background materials or other information the minister considers appropriate." That section needs to be amended. It should include disclosure of all, not any, background material and all evidence that the minister is considering in making its plans, and remove the discretion given to the minister about what material it considers appropriate in that disclosure. If there's a specific concern with specific data, like confidentiality, the legislation should spell that out and import the test from section 17 of the freedom-of-information act.

The problems with access to documents in the public consultations on the long-term energy plan are exemplified by section 25.29(7). This section contemplates the release of other important documents only after the long-term energy plan is issued. In its language it contemplates "key data and cost projections" being released at that time, when it's too late, when the long-term energy plan has already been issued. It's absolutely essential for the public to have access to that type of information before the long-term energy plan is issued and during the consultation process. Those two sections do not provide enough information to the public for true engagement on the minister's long-term energy plan.

Compare that to the OEB process where the interveners had access to all of the written evidence that would be relied on to justify the plans. They could submit alternative evidence, argument, interrogatories and cross-examine witnesses.

CELA's recommendations on public participation are to restore the role of the public by including all procedural rights provided to interveners at the Ontario Energy

Board hearings into the consultation process on the long-term energy plans. We ask that it be explicit that full disclosure of all evidence to be relied on by the minister before the consultation on the long-term energy plan be disclosed.

**1610**

Our third issue is that the environmental issues are given little consideration in Bill 135. I'm going to point out two ways: Subsection 25.29(2) looks at goals and objectives for the long-term energy plans. The language is not mandatory. It needs to be mandatory that the minister's long-term energy plan takes into account sustainable development or environmental issues, and that non-mandatory list of issues to be looked at in the long-term energy plan process should be compared to the mandatory list of requirements for the IESO's integrated power system plans in regulation 424/04.

Our recommendation on that issue then is that subsection 25.29(2) should be amended to make it mandatory for the minister to take into account conservation first as a priority, renewable energy, environmental impacts of proposals in the plan and the environmental impacts of alternatives.

The Environmental Assessment Act is also exempted under this legislation. Long-term energy plans and all related undertakings are again exempted. Not only is there no Ontario Energy Board process, there's no independent process to study the environmental impacts of these long-term energy plans either.

An Environmental Assessment Act review of a long-term energy plan would require appropriate consideration of alternatives and the likely environmental effects of the proposal. That analysis of long-term energy plans is totally missing from Bill 135.

Environmental assessments of individual projects won't suffice. You need a broad framework review to study alternatives to the whole plan and the likely environmental effects of the overall framework being put in place.

CELA's recommendation on environmental assessment is that section 25.32.1 should be removed. Bill 135 should instead state explicitly that long-term energy plans and all related undertakings are subject to the Environmental Assessment Act.

**The Chair (Mr. Grant Crack):** If you could wrap up within the next few seconds. We're over the 10 minutes already. So please just—

**Ms. Jacqueline Wilson:** Okay. In summary, CELA does not support the changes to the long-term energy planning system. There's decreased accountability and transparency. Power is concentrated with the minister, and the role of other important actors in the system, like the IESO, the OEB and the public, are significantly diminished, and the environment is sidelined, including by exempting long-term energy plans from the Environmental Assessment Act. Thanks.

**The Chair (Mr. Grant Crack):** Thank you very much, Ms. Wilson. We shall start the line of questioning with the official opposition. Mr. Yakabuski.

**Mr. John Yakabuski:** Thank you very much, Ms. Wilson, for joining us today and for your submission. I heard the minister during the debate on this bill indicate that this bill would strengthen the Ontario Energy Board. You're a lawyer, right?

**Ms. Jacqueline Wilson:** I am a lawyer, yes.

**Mr. John Yakabuski:** Your job is, you look into these things, you would analyze them and you can figure them out in a way that I can't. Can you find me anywhere in here that this Bill 135, as written, strengthens the Ontario Energy Board?

**Ms. Jacqueline Wilson:** No, I don't think this bill does strengthen the Ontario Energy Board. As I mentioned, the main role of the Ontario Energy Board in the past, under the old legislation, was to provide an independent forum of review for the IESO's plans. That was extremely important. It provided a really important forum for the public to look at, challenge the plans, review the plans and provide alternative evidence. That power is gone in Bill 135.

**Mr. John Yakabuski:** Would it be fair to say that the minister can basically take the suggestions of the IESO and the Ontario Energy Board and treat them as such, or take the findings or the conclusions of the Ontario Energy Board and the IESO and treat them as suggestions and completely ignore them under this bill?

**Ms. Jacqueline Wilson:** The bill doesn't provide much about what the minister has to do once he or she receives the technical reports from the IESO. Under section 25.29, that might be a way to strengthen this bill: to add in specific criteria about how those technical reports should be used and implemented.

**Mr. John Yakabuski:** Under this bill, as is written, he or she could take the technical reports and say, "Well, thank you very much for your work," and file them—correct?—and say, "I'm not abiding by them. I have a better idea."

**Ms. Jacqueline Wilson:** Right. So what the bill says is that "the minister shall consider the report"—that's the language that's used—and that's it. They have to consider it, and that's it.

**Mr. John Yakabuski:** "Thank you very much. I've considered them, and now they're going into the wastebasket."

**Ms. Jacqueline Wilson:** Exactly. So all the minister has to do is consider the report.

**Mr. John Yakabuski:** "I've considered it. Thank you very much."

**Ms. Jacqueline Wilson:** Yes, that's open to the minister—

**Mr. John Yakabuski:** So that could be the extent of what his actual legal requirement is.

**Ms. Jacqueline Wilson:** I do agree. I think all that's required here is a consideration of the report, and that's it.

**Mr. John Yakabuski:** What do you think the motivation is, Ms. Wilson, for someone to want to concentrate that much absolute power in the hands of one person, when we have something as huge and complicated and far-reaching as our energy system, which affects every-

thing in this province, whether it's the economy, the environment—everything? Would you be willing to offer an opinion as to what you think the motivation is?

**Ms. Jacqueline Wilson:** I don't like to speculate about motivations, but what I do want to say is that I think this concentration of power is the wrong way forward. I think we need to make sure that each of these actors in the long-term energy planning system has a strong, important role.

**Mr. John Yakabuski:** And you have a very broad coalition that you represent—

**The Chair (Mr. Grant Crack):** Thank you very much. We shall move to the third party. Mr. Tabuns.

**Mr. Peter Tabuns:** Thanks, Ms. Wilson, for your presentation today.

Just following on the first question by my colleague: This bill certainly doesn't strengthen the OEB. Does it diminish its powers?

**Ms. Jacqueline Wilson:** Yes, I think this bill significantly diminishes the power of the Ontario Energy Board.

The power of the Ontario Energy Board in the long-term energy planning process was to provide an independent, quasi-judicial forum for testing of the IESO's plans. That was really important, and that provided a place for the public to get access to all the documents that they needed, including anything that the IESO wanted to rely on in supporting its plan, to test that evidence, to cross-examine witnesses. That was all within the purview of an Ontario Energy Board hearing. That's no longer in the bill; there's no independent review of the plans.

**Mr. Peter Tabuns:** You noted that, effectively, consideration of environmental matters is taken out of long-term energy planning. What are the risks that come from no longer considering the environmental consequences of these plans?

**Ms. Jacqueline Wilson:** I think the risks are huge. These are long-term energy plans that are going to have vast impacts on the environment. We know from previous plans, in terms of demand forecasting and other issues that have come up in these independent reviews, that there is a significant risk of overbuild. That has huge impacts on the environment.

**Mr. Peter Tabuns:** You also were concerned that alternatives to particular projects weren't being considered in this process. Again, what's the risk there with not looking at the alternatives for a proposed installation or approach to provision of electrical services?

**Ms. Jacqueline Wilson:** This is the time when we need to look at how we're providing electricity in Ontario. Renewable energy sources are becoming more and more accessible and easily available. The risk is that if the technical review and then the long-term energy plans don't have a real consideration of those alternatives, we're going to miss our time to actually implement environmentally sustainable renewable energy in Ontario.

**Mr. Peter Tabuns:** I don't have further questions.

**The Chair (Mr. Grant Crack):** Thank you very much, Mr. Tabuns. We shall move to the government. Mr. Delaney.

**Mr. Bob Delaney:** Thank you for coming in today. I'd like to start off with three clarification questions, and you can probably just answer them with yes or no if you wish.

In your description, am I to conclude that you support using the present planning process?

**Ms. Jacqueline Wilson:** I think the present planning process is better than the current one, but we would have certain things that we would want to change about it. For instance, we would want to take away the exemption of the Environmental Assessment Act from that process. That's in the current process and maintained in Bill 135, and we'd want that taken out.

1620

**Mr. Bob Delaney:** Early in your presentation you used the expression "sustainable energy planning." Does your description of sustainable energy planning assume that the process ever reaches a decision or a conclusion on an energy planning process?

**Ms. Jacqueline Wilson:** I'm sorry; I don't understand the question. Can you repeat that?

**Mr. Bob Delaney:** You've said that, with changes, you support the present system. Does your description of whatever system you wish it to land on assume that the process ever reaches a decision or a conclusion on an energy planning process?

**Ms. Jacqueline Wilson:** The point of these long-term energy plans is to provide a framework going forward. It wouldn't be that there's a static decision being made; what it's trying to do is set in place that framework that can allow renewable energy to grow in this province. It would be changing over time, and that's the point of a framework and a forecast that would change. It's long-term energy planning.

**Mr. Bob Delaney:** Could you provide me an example of an energy-related plan or proposal using the present planning process that has ever reached a conclusion?

**Ms. Jacqueline Wilson:** One of the reasons that the last plan that went to the OEB didn't reach a conclusion was because environmental colleagues of mine brought to bear how out of whack the demand forecasts were in those plans. That's actually a success story about the independent review process, because that showed why public review, public participation and access to all of the evidence—having real scrutiny of these plans—works. It shows when there's a big problem with those plans.

**Mr. Bob Delaney:** Early in your presentation you were talking about whether people could access data from the IESO. Just for clarification, are you suggesting that the underlying data from the IESO would not be available to stakeholders?

**Ms. Jacqueline Wilson:** Based on the way Bill 135 is written, it does not appear that it would be, and that's a problem.

**Mr. Bob Delaney:** Thank you, Chair. Those are all the questions I have.

**The Chair (Mr. Grant Crack):** Thank you very much, Ms. Wilson, for coming before committee this afternoon. We appreciate it.

**Ms. Jacqueline Wilson:** Thank you.

#### REAL PROPERTY ASSOCIATION OF CANADA

**The Chair (Mr. Grant Crack):** Next we have on the agenda, from the Real Property Association of Canada, Mr. Brooks Barnett, manager of government relations and policy. We welcome you, sir. You have 10 minutes.

**Mr. Brooks Barnett:** Thank you for the welcome, Mr. Chair and members of the committee. It's a pleasure to be here today and to speak in support of several of the tenets of Bill 135. My name is Brooks Barnett, and I'm manager of government relations and policy at the Real Property Association of Canada.

REALpac is the country's seniormost voice for the commercial and investment real estate industry. Our members include publicly traded real estate companies, real estate investment trusts, private companies, pension funds, banks and life insurance companies.

Ontario's commercial real estate industry is responsible for a roughly \$12-billion addition in total GDP, as well as 136,000 jobs provincially, and a total gross output of more than \$23 billion in provincial spending. Those are a few key stats on our industry.

REALpac would like to thank you for the opportunity to speak today about Bill 135, the Energy Statute Law Amendment Act. The bill contains several amendments to the Green Energy Act, which would significantly impact the commercial real estate industry. We view this bill in its entirety as a major enabler of enhanced energy management and improved communication of key industry trends. Of the many proposed changes, we feel the most important are the following:

(1) The bill requires utility distributors to make information available with respect to the consumption of electricity, gas and water at prescribed properties; and

(2) The bill provides authority to require the reporting of energy consumption and water use to the ministry.

The overarching theme throughout Ontario's long-term energy plan is the commitment to put conservation first. We believe that these proposals are indicative of the government's commitment to energy conservation in Ontario. More specifically, they signal the government's intention to mandate the reporting of energy and water consumption in privately owned buildings.

We're generally supportive of the government's energy conservation goals, and believe that the bill improves building conservation practices in two major ways. Firstly, we believe that the bill remedies a very important problem for building energy conservation: It provides owners with crucial energy data, otherwise not accessible through existing legislation. As it stands, building owners just don't have comprehensive information on buildings.

We believe that the requirement that utility providers share consumption data will greatly assist our owners and landlords in meeting reporting responsibilities. As the energy reporting requirements are likely to apply to

several building classes where whole-building data collection is problematic, it's vital that we take necessary steps to improve information access for all of our landlords and building owners. For example, retail shopping centres rarely have access to whole-building energy data, as tenants are not required to provide it. This would result in an incomplete statistical data set for all of these buildings. Bill 135 answers REALpac's earlier requests to the ministry to address this very issue.

Secondly, the bill will provide the breath of life for a future mandatory energy reporting framework already under consideration in Ontario and likely to form the basis of other provincial programs nationally. In this, Ontario has a chance to lead by example. REALpac and our industry allies have been involved in consultations with the ministry since 2014. Passage of this will initiate this program, which will apply province-wide and touch most of our members. We believe, if the requirements are eventually enacted, that they adhere to the following five principles:

(1) They apply to Ontario's largest commercial buildings first, then are scaled to smaller buildings in future years.

(2) Both absolute and normalized data is disclosed, where available.

(3) Water data is phased into the program well after the program has a chance to mature.

(4) The province should use discretion when determining which properties' data is disclosed and why.

(5) The ministry should provide resources, education and technical guidance to landlords before the energy reporting requirement is introduced.

Energy and water reporting and benchmarking initiatives for large buildings would require property owners to track their building's energy and water usage over time, as well as greenhouse gas emissions, to determine how a building's energy performance is changing and how it compares to other buildings. This ongoing review would help building owners identify opportunities to save energy and water, thereby saving money on utility bills. It would also help tenants and buyers make informed property decisions, enabling property and financial markets to value building energy and water efficiency more than they currently are. It would also help Ontario meet its conservation and greenhouse gas reduction goals. Disclosure, therefore, helps conservation efforts. This is a fact. Getting access to the data isn't only useful for the province, it also allows building owners to get a full picture of energy use and run Ontario businesses more effectively.

Ontario's commercial real estate industry is ready for such a program. In fact, most of Ontario's largest property portfolios are already benchmarking their building energy usage and they're doing it voluntarily. Building owners understand that what gets measured gets managed and this can be translated into a direct bottom-line benefit. Extending these requirements to large buildings would align Ontario's policy with jurisdictions in the United States, Europe, the United Kingdom and Asia.

The proposed act establishes the province's authority to make new rules for the private sector, and we would ask that policy-makers at the province ensure that these principles are contained within the draft regulations expected later this year.

I'll close by informing the committee that these ideas are meant to reflect a consensus opinion in our industry, which is eager to work with the ministry on the design of an effective conservation program for Ontario's buildings.

Thank you again for inviting us and listening to these concerns. I'll be happy to answer any questions the committee might have.

**The Chair (Mr. Grant Crack):** Thank you very much, Mr. Barnett, for your presentation.

We shall start the line of questioning with Mr. Tabuns.

**Mr. Peter Tabuns:** Mr. Barnett, thank you very much for coming in today and making this presentation.

The scale of potential energy reductions in this commercial sector: Has your association done an assessment of what the potential is there?

**Mr. Brooks Barnett:** There are stats available from the States that are comparable. It's a hard thing to gauge because it depends, really, on the intrusiveness of the program. It depends on which building types; it depends on what your ultimate goal is. There are stats from the States that indicate that there could be as much as 14% to 40% energy reductions in a building once building owners ultimately act on what is coming back to them. We don't have an exact estimate. I can't give you a volume, province-wide, but I will say this: It will be quite significant to Ontario's overall energy demand.

1630

**Mr. Peter Tabuns:** Do you have a sense of the current size of the market for ongoing energy efficiency retrofits going on in the commercial sector at this point?

**Mr. Brooks Barnett:** Presently or future?

**Mr. Peter Tabuns:** Presently.

**Mr. Brooks Barnett:** Not exactly. I could dig those numbers up for you and send them your way. The market is large. Most of the largest portfolios and the largest companies, in Ontario at least, have quite a professional contingent within their employment roster that looks at this and are constantly trying to evolve programs. I would estimate, just based on that fact, that the market would be pretty large.

**Mr. Peter Tabuns:** Okay. I don't have further questions. Thank you very much.

**Mr. Brooks Barnett:** Thank you.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Tabuns. We shall move to the government. Ms. Hoggarth?

**Ms. Ann Hoggarth:** Thank you for your presentation.

I understand that REALpac has been involved in the early stakeholder feedback about this process. I want to know, what is the difference, in terms of impact on your industry, on whether this proposal was to be adopted province-wide or at the municipal level?

**Mr. Brooks Barnett:** Ultimately, I think, as a matter of good public policy in terms of sheer effectiveness of the program, it would be best that this is a provincial program. We took the position and we advocate, in fact, provincially elsewhere that ultimately a provincial government is best to institute the program because there will be a far wider applicability to all municipalities.

I think in terms of consistency, as well, it would be best that there isn't a patchwork of 20 municipalities that all have a reporting structure or a framework in place, and then a provincial component on top of that. We would like to have a system in which our companies ultimately report as little as possible. It is administratively burdensome and it can be, based on how the program is set up, very time-consuming for employees within companies to track the data, provide the data, benchmark the data, and ultimately try to create a program where they are also in charge of reducing the energy. So our opinion is that it's best provincially, and that's an opinion that is being taken up in other provinces as well.

I think, municipally, there is an understanding that there's value in doing that and there is buy-in, in my opinion, from the cities we have spoken to, to move this provincially, and they are fully co-operating.

**Ms. Ann Hoggarth:** So this is good for your members. They have a benchmark to go by. Currently, there's no such benchmark set in stone, so to speak.

Does REALpac agree with the phased-in implementation of the large building energy and water reporting and benchmarking, and, if so, why?

**Mr. Brooks Barnett:** We do agree with the phase-in. Ultimately, we would like our building owners and operators to have enough time so that they can customize their staff to what's being required of them. Doing it overnight at the snap of a finger would not make for an effective program. Phasing it in and treating the largest companies first, sliding that to smaller companies—that's effective because, as I indicated, most of those large companies are already engaged in these processes voluntarily and they're doing it privately and it's working for them. So we do generally agree with—

**The Chair (Mr. Grant Crack):** Thank you very much; appreciate it. We shall move to Mr. Yakabuski.

**Mr. John Yakabuski:** Thank you very much, Mr. Barnett, for coming in today and for your submission. Your group has carriage over a lot of real estate, not only here in Toronto but all across the country.

**Mr. Brooks Barnett:** And internationally as well, I might add.

**Mr. John Yakabuski:** Thank you very much. I'm only dealing with Canada. They don't give me a licence to work internationally yet.

**Mr. Peter Tabuns:** And a good thing.

**Mr. John Yakabuski:** And a good thing, Peter. In fact, my local licence is under review too.

Most of your submission spoke about amendments to the Green Energy Act. We all recognize how important it is to conserve energy and a resource such as water. I did see that you talked about a phase-in for the water requirements after the program matures. One of the things that

we've received through our written submissions is from the beverage producers; for example, the brewers, the soft drink producers etc. The amount of water that's used in the building is one thing. When you're talking about real estate and you're talking about the malls or large office buildings, you're talking about how much water could be saved by enhancing the conservation, by the way the washrooms work, the toilets flush etc.—the amount of water that's used in the administering of the businesses that are carried on in the building. For that group of people, water is the essential ingredient in the product that they produce, and the release of that information certainly could be considered proprietary with regard to the competitive advantage they have, or disadvantage they may end up experiencing with one of their other competitors within the industry. Do you accept that maybe there needs to be some sort of an exemption for them from that side of the water—

**Mr. Brooks Barnett:** Absolutely. On that point, we have advocated in the past, and I think rightfully so, that it isn't necessarily about the reporting as much as the disclosure piece.

It's how those grey-area property types or companies that are—for example, a film studio, a trading floor, a data farm—disclosing that and representing that as an apples-to-apples comparison really wouldn't be effective because they're special cases. Therefore, we have advocated that it would be best that—if the reporting is to occur, that's fine, but the government should consider whether or not it is effective to release the data; or, at least, if the data is to be released, a notation that it's a special case or—

**Mr. John Yakabuski:** For example, if one company perfects some sort of a process that significantly reduces their water consumption, to have that released would negate the investment they've made in doing that—to another competitor. So I think there are some things missing in this bill that need to be addressed. That's part of their proprietary business. They come up with a system that saves them a lot of money by saving a lot of water. That shouldn't be disclosed to their competitor.

**Mr. Brooks Barnett:** We would agree. There should be a certain level of discretion so that an exemption—or call it something else—is provided that will protect, whether it's proprietary information relating to buildings or a beverage soft drink company.

**Mr. John Yakabuski:** Yes, I understand the operations of a building, that's—

**Mr. Brooks Barnett:** I agree with you that that should be included in the bill.

**Mr. John Yakabuski:** Thank you very much for your time today.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Barnett, for coming before committee this afternoon. We appreciate it.

#### GREEN ENERGY COALITION

**The Chair (Mr. Grant Crack):** Next, we have the Green Energy Coalition. We have two individuals with

us this afternoon: counsel Mr. David Poch; and senior energy analyst of Greenpeace Canada, Shawn-Patrick Stensil.

We welcome both of you here this afternoon to committee. I'll give you a couple of seconds to get started. Whenever you're ready, gentlemen, you have 10 minutes.

**Mr. Shawn-Patrick Stensil:** My name is Shawn-Patrick Stensil, as mentioned. I am a senior energy analyst with Greenpeace Canada. Greenpeace Canada is also a member of the Green Energy Coalition, which also includes groups like the David Suzuki Foundation and the Sierra Club.

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David Poch is our counsel at the Ontario Energy Board and will be presenting with me. David has been presenting to the Ontario Energy Board on behalf of the GEC now for 30 years, so he can tell you about how Ontario Energy Board reviews have worked under all sorts of governments.

We don't think this bill addresses the problems that Ontario has faced over the past 10 years, nor do we believe that it will address the problems that we're going to face over the next 20 years. For these reasons, we would recommend to the committee that if you were to pass this, it needs to be significantly amended, and we've provided some draft amendments to the committee. David will talk about these amendments further, but we submit that they're also aligned with the government's Open Government policy.

I mentioned the problem that we've been facing over the past 10 years. As the committee will know, the Auditor General came out with a report in December discussing these problems over the past decade. I think one thing that the government has done is to portray this bill as a response to the Auditor General's report. We would take issue with that. We actually see that this bill will make some of the problems identified in the auditor's report worse by removing checks on the power of the minister and by lowering transparency. Here, I would just quickly quote—aside from what's on screen—the auditor's report has identified this as the key problem over the past 10 years: "Operating outside the checks and balances of the legislated planning process, the Ministry of Energy has made a number of decisions about power generation that have resulted in significant costs to electricity consumers." I think that is the root cause and that isn't actually well addressed in this bill.

I'll pass it over to David.

**Mr. David Poch:** As you can see, I've styled the bill the "energy czar act," with all due respect to the minister. That's what it de facto is. It's a total concentration of power. It's a retreat from public process. I'm astounded by the doublespeak that we've been hearing. It's going to eliminate the OEB's public hearing review of energy plans and eliminate environmental review of energy plans. It will not ensure transparency or accountability. And I think the conclusion is that it's going to encourage more gas plant fiascos and white elephant megaprojects.

I've been there for the last 30 years in front of the energy board. I was there for the hearings that the government is concerned have gone too long and not reached conclusions. I find it bizarre that the government would blame the process for that, when here's what really happened: In the demand/supply plan hearings, these hearings went on and on and on, and Ontario Hydro, as it was, was the one who withdrew the plan, piece by piece by piece, as reality was unfolding, as our and many other interveners' evidence was being put in, demonstrating that they had come up with a completely flawed plan based on a completely flawed forecast.

The fact that they withdrew was a success for the public. They were talking about spending \$200 billion. None of that happened. So that hearing was a dramatic success. To say it's a failure because it didn't reach its full conclusion and a report and the utility's proposal wasn't blessed—it's completely the opposite.

Similarly, the IPSP hearings that were in the 2007-08 time frame: It was the minister who stopped that process because he changed his mind. The process never had a chance to run its natural course and let the board speak and offer its wisdom. So I just can't agree with the suggestion that there was a problem with the process. The problem was with the plans that were being put forward.

The lack of transparency that is part of the current proposal can lead to insidious results. We know this for a fact because—the committee members may not be aware—there was actually a 2011 IPSP, too. Through freedom of information, we were actually able to get the exhibits prepared to be put in front of the energy board by the IESO, the OPA, as it was. Clearly, what happened is that the government put the kibosh on that, and, as the Attorney General has pointed out, that was not what the law required. We can speculate as to why. One of the things that those documents disclose is that the surplus of baseload generation problem, which much has been made of, was severely exacerbated by the decision to extend the life of the Pickering reactors, something the government was doing at the time and has done again just in the last few weeks. So it may have been uncomfortable.

Well, that's exactly what we need. We need a public process that exposes these uncomfortable facts, allows for input and debate, so that we don't have gas plant fiascos in the future. I think, in short, you can't rely just on the IESO for either a complete or an unbiased review. You need meaningful public input to fill the gaps.

**Mr. Shawn-Patrick Stensil:** I mentioned off the top that we don't feel that the bill addresses where we've been, in terms of the problems addressed by the auditor. I would also like to flag for this committee that the problems we've been facing over the past 10 years may not be the same as the ones that we'll face over the next 20. What we're going to see over the next 20, for example, is an end to the growth of renewable energy—unfortunately, from Greenpeace's point of view. What we are going to see, however, are 10 reactor rebuild projects, which is on par with what we were building in the 1980s. These will be very different problems that we will need to address moving forward.

One thing we would like to flag for the committee is that the government hasn't made a commitment to off-ramps for these reactor projects. It's 50% of the electricity system. If they go sideways—which they will, because they always have—there will be the option to go in another direction. That's not mentioned in this bill. The biggest risk to electricity consumers and the environment is not addressed in the bill. Whether you're pro-nuclear or anti-nuclear, frankly, this is a huge public policy issue and governance issue. How will that decision be made transparently, and how will we be looking at, as the auditor suggested, cost-benefit? Right now, that is left more or less to the discretion of the minister and the IESO, and that's how we got into the gas plant scandal. That is a big concern from our part that we think there needs to be amendments on.

**Mr. David Poch:** Just very quickly: It has been pointed out that there are implementation plans that will come from the OEB and the IESO. I just want to make the point that the implementation plan is an after-the-fact matter once the long-term energy plan has been set. It's just simply how you're going to go about doing your RFPs or whatever. It's not the same. It may be as little as an accounting exercise; it could be much more than that.

But to the extent that it is at all meaningful, the bill does not suggest that there's any public input or review in the OEB process of creating an implementation plan. So it leads me to wonder: Why is the OEB doing this? You're putting them in the role, in effect, of proponent of the plan rather than a regulator or a referee, and so on. I think it compromises their impartiality. I think, further, as we've seen, any discretion the OEB might have in implementation can easily be constrained by the minister, as we have seen. It has been done by the directives. That's something that we would like to see limited.

**Mr. Shawn-Patrick Stensil:** For the committee: I participate in a lot of public consultation processes on behalf of Greenpeace. I usually use our participation in the OEB as an example of a best practice. We're not always happy with the outcome, but at least there's an understanding of where there's a commonality on facts and what the actual disagreements are. Here we're proposing, in fact, to take that ability away from the public and at a stage where it's very important for testing evidence.

As David has raised, the issues that were revealed to us in these FOIs in the 2011 IPSP would have changed the political debate on where we were going in 2011. That's what we need. That's what checks on political power are about. That's how we get to better decisions. Unfortunately, in this process, that ability for third-party interveners that aren't well funded to come in to question and challenge assumptions has been taken away. We're going to get worse planning because of that.

**The Chair (Mr. Grant Crack):** You've got about two seconds left—final wrap-up.

**Mr. David Poch:** All right. I think we should just go right to our recommendations. We've handed out a separate page. We're suggesting, first of all, that the bill

should prioritize sustainable energy options, something the government says it's committed to. It should walk the walk. Clearly, we are in favour of public hearing review, both for large projects, including these off-ramp decisions my colleague has spoken about, and the plans themselves.

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At a minimum, we've suggested to at least use the OEB as a venue for supervised discovery, interrogatory processes or an expedited written process. It's within the government's power to tell the OEB that they want them to use an expedited process. They already have a regulation that allows them to set time limits for the OEB. There are ways to use that process without the fears that the government has expressed about that hearing process getting out of control.

**The Chair (Mr. Grant Crack):** Thank you very much.

**Mr. David Poch:** We've given you some specific recommendations on paper that are in front of you.

**The Chair (Mr. Grant Crack):** Thank you very much. I apologize for cutting you off, but I gave you an extra minute to wrap up.

**Mr. David Poch:** It's understandable.

**The Chair (Mr. Grant Crack):** We'll start with Mr. Delaney from the government.

**Mr. Bob Delaney:** You made an interesting statement, and I'd like to ask you a question: On what basis do you project an end to the growth in renewable energy?

**Mr. Shawn-Patrick Stensil:** It's in OPA documents. That has always been the plan. If demand is not going up, you're not going to be adding renewable energy forever. After the IPSP was pulled in 2007, a memo went to the OPA board basically saying that after 2016, if you don't lower the nuclear commitment, you have to end renewable development. That's government policy.

**Mr. Bob Delaney:** In other words, I could find that same—

*Interjection.*

**Mr. Bob Delaney:** Do you mind? Thank you.

I could find that same conclusion in the 2013 long-term energy plan?

**Mr. David Poch:** That renewable energy would end? Yes.

**Mr. Bob Delaney:** Okay, I'll check.

Have you estimated what the planning review time frame would be under the proposals that you've made?

**Mr. David Poch:** I think, realistically, most OEB processes this intensive take about a year. I think what that suggests and what I think is rational is that plans understand that the world is evolving—you need flexibility in plans. You need to have a range of options. You need to lay out how you're going to react to change. That's what intelligent energy planning is about, not locking yourself in. The plan should not lock itself in. We should give preference to options with flexibility. So that year, I think, is not a difficult time frame.

**Mr. Bob Delaney:** In the recommendations that you've made, would you characterize them as an exten-

sion of the current IPSP or a modification of the long-term energy plan options?

**Mr. David Poch:** Well, let's be clear: This isn't our dream regulatory regime. We are trying to be helpful and make suggestions that reflect what the government has already had in place, what the Auditor General suggests is appropriate and some of the points that are being brought forward in Bill 135.

I think that you can cure the ills of the current legislative regime, the IPSP process, through directives to the energy board, through the board exercising its authority to control its own process.

**Mr. Bob Delaney:** So what you're suggesting is a process different than the current IPSP process, but not the long-term energy process as proposed in the bill?

**Mr. David Poch:** We are suggesting something closer to the current process than the Bill 135 suggestion. The Bill 135 process is simply the minister publishing the plan.

**Mr. Bob Delaney:** Those are all my questions.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Delaney. We shall move to Mr. Yakabuski from the official opposition.

**Mr. John Yakabuski:** Thank you very much. When you have a moment, maybe you could give a copy of the forecast on renewables to the parliamentary assistant. I'm sure he could use that in his speaking notes.

Anyway, in these hearings the last couple of days, the vast, vast majority of the witnesses who have appeared and who have had a view on the planning procurement side of this bill have been diametrically opposed to what we're seeing here.

What you said here today when you quoted the Auditor General's report—would I be putting it correctly that you said all of the mistakes that have been done under the current legislation by the minister using his or her power, whatever the case may be, that we would actually entrench that in legislation and give them even more power to make more mistakes without checks and balances under this current Bill 135?

**Mr. Shawn-Patrick Stensil:** Effectively, yes. Our read of the bill is, and the government thinks similar things, that it's legalizing what has been done over the past 10 years. Whereas, where the auditor says the problem was them working outside of the legal framework, this is just, "Okay, we'll change the legal framework. We can meet the rules, but we've just changed them." What we should have learned from—

**Mr. John Yakabuski:** So we legalize bad decisions at this point.

**Mr. Shawn-Patrick Stensil:** Yes, and removing checks on—what we really worry about is checks on political accountability. As David mentioned, this information that we got out of this IPSP FOI document—we wouldn't have agreed on the outcome, but it would have changed the political discussion and political decisions that are made. So we need access to that kind of information going forward.

**Mr. John Yakabuski:** Were you people consulted at all before the drafting of this legislation?

**Mr. David Poch:** No.

**Mr. John Yakabuski:** Nothing at all. No contact with the ministry whatsoever—

**Mr. Shawn-Patrick Stensil:** On this legislation, no.

**Mr. John Yakabuski:** —when this legislation was drafted.

**Mr. David Poch:** None.

**Mr. John Yakabuski:** Would you call this a major piece of legislation with regard to the energy future here in Ontario?

**Mr. David Poch:** I would call it the most major piece of legislation we've ever seen.

**Mr. John Yakabuski:** And no consultation previous to the drafting of the bill.

**Mr. David Poch:** Correct.

**Mr. John Yakabuski:** Do you find that strange?

**Mr. Shawn-Patrick Stensil:** It's unfortunate. We've put forward recommendations on how we think we can improve the bill, where we're at right now. What I would also flag from an environmental perspective that we didn't get to in the presentation is that this bill effectively ends sustainability assessment in the Ontario legal system. This has been death through a thousand cuts. You may remember Minister Broten justifying a regulation in 2006 that removed provincial environmental assessments. This is now basically codifying that as well. From an environmental perspective, that is not a good thing moving forward. We hope that could also be addressed in the longer term.

**Mr. David Poch:** Part of the rationale for taking energy projects out of environmental assessment per se was because this IPSP process could look at those things—or the joint board process before it. Now there's no such thing, so there is no environmental review of the choice between alternative energy paths.

**Mr. John Yakabuski:** As it stands, this is a very damaging piece of legislation. Would you say that?

**Mr. Shawn-Patrick Stensil:** We think it's a dangerous power grab and we won't get good environmental or policy decisions from it.

**Mr. David Poch:** And bad economic decisions will arise.

**Mr. John Yakabuski:** Thank you very much for your time. I appreciate that.

**The Chair (Mr. Grant Crack):** Thank you. We shall move to Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you, David and Shawn-Patrick, for the presentation.

The first question, then, is this: Does this bill undermine the OEB's authority in the energy field?

**Mr. David Poch:** I think it eviscerates the OEB's authority in the field. As it was, the government, through its IPSP directives, was already pushing limits to very much limit the scope of review of the energy board, but this absolutely eliminates it.

**Mr. Peter Tabuns:** You referred to this as the "most major" piece of legislation. Why do you use such terms?

**Mr. David Poch:** I think this is complete in its effect. It completely removes public process, other than pro

forma consultation after the plan is already set, and even then without full disclosure of the background materials. It's a loss of public process. I think it's a shame for Ontario's democratic processes.

**Mr. Peter Tabuns:** You referenced the potential for this to set up the possibility of another gas plant scandal. Do you want to talk about why?

**Mr. David Poch:** I think the antidote to political misadventures, whatever the motivation—I don't need to speculate—is transparency and accountability. This act, in many ways, reduces transparency and reduces accountability. Far better that we avoid problems than uncover them later. Accountability is about finding out about them later. Far better if we have transparency and avoid them in the first place.

**Mr. Shawn-Patrick Stensil:** Just to add to that, Peter, remember, moving forward, there will be decisions on about 10 reactor life extensions. The government has said they'll do off-ramps, but there is no legal mechanism that there will be an independent review of that decision, there will be full disclosure of that.

Frankly, with the Bruce decision, we can't even get the terms sheet, and what price is too much? None of that is available to the public. We're just reassured that it's cost-effective. That's not fair to green energy or electricity consumers.

**Mr. Peter Tabuns:** Okay. I don't have further questions. Thank you very much.

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**The Chair (Mr. Grant Crack):** Gentlemen, thank you for coming before our committee this afternoon.

**Mr. David Poch:** Thank you.

**Mr. John Yakabuski:** Thank you very much.

**The Chair (Mr. Grant Crack):** That's usually the role of the Chair, Mr. Yakabuski, but I appreciate you complimenting us.

It's 5 o'clock. That's two meetings in a row where our last delegation was right on time. We're moving along rather efficiently.

**Mr. Bob Delaney:** Good chairmanship.

**The Chair (Mr. Grant Crack):** Thank you very much. I wasn't looking for that, but we're a good team.

## ONTARIO ENERGY ASSOCIATION

**The Chair (Mr. Grant Crack):** I'd like to call the last presenter for this afternoon, but certainly not least—as important as all: Ontario Energy Association. We have the chair, Mr. David McFadden; President Bob Huggard; and also the legal counsel, Ian Mondrow, with us this afternoon. Gentlemen, we welcome you to committee. You have 10 minutes for your presentation.

**Mr. David McFadden:** Thank you very much, Mr. Chairman, members of the committee. Thank you very much for providing the Ontario Energy Association with the opportunity to present our position on Bill 135. As the Chair indicated, I'm Dave McFadden. I'm chairman of the board of the OEA. To my right is Bob Huggard, who is our president and CEO, and immediately to Bob's

right is Ian Mondrow, who is legal counsel for the association.

I'd like to start off perhaps by giving the members of the committee a brief introduction about the Ontario Energy Association. As many of you know—and I know a number of you have certainly been to OEA events over the years—the OEA is an advocacy organization that represents Ontario's electricity and natural gas industries. We have a diverse membership, ranging from electricity and natural gas distributors and transmitters, to renewable, thermal and nuclear generators, to suppliers and service providers. We represent the Ontario energy leaders that span the full diversity of our province's energy industry. So we cover the whole range.

Bill 135 is largely about long-term planning, as you know, which is an extensive process that directly impacts our entire membership. That's why today, we're just going to be talking about the energy planning process. We're not going to be commenting on the energy and water consumption reporting; that latter part we're not going to comment on.

Bill 135 is an important step for the province because until now, electricity planning in Ontario has not taken place within the existing legislative framework set out under the Electricity Act.

I'll outline a few of the reasons why we think Bill 135 is important.

First, and perhaps most importantly, it provides clarification on how energy planning will proceed in the future in this province. Predictability is very important for the energy sector, as you well know, because energy projects are often capital-intensive and require long lead times for development and construction. Sometimes, they're years in the planning, but even the briefest usually is two or three years at least.

Energy infrastructure is vital to our province's economic prosperity and to our standard of living. Proper planning is essential. By spelling out when and how energy planning will be done, Bill 135 greatly improves the ability of energy companies to do business in Ontario and provides Ontario's citizens and businesses with reliable and sustainable energy supplies.

Bill 135 also makes some specific positive changes to the role of the Independent Electricity System Operator. In particular, Bill 135 adds electricity storage and transmission projects to the IESO's procurement authorities. The proposed IESO procurement mechanisms will improve the integration of renewable power into Ontario's energy system while encouraging new, competitive entry into Ontario's storage and transmission businesses.

With the merger of the Ontario Power Authority with the IESO, our association is confident that the new IESO has the skills to carry out these new mandates. We see the formalization of these procurement responsibilities as a good thing. If anything, we feel that Bill 135 does not go far enough in strengthening the role of the IESO in the electricity planning process.

So what I'd like to do is call on Bob Huggard to give you an overview of the points that we'd like to make in

terms of amendments to Bill 135, which we think are both important but also very straightforward. Over to you, Bob.

**Mr. Bob Huggard:** Thank you, David. I'll move right into our recommendations for improvements.

The OEA has four main principles that it would be beneficial to have further reflected in Bill 135 and in the actual long-term energy planning process: consultation, deferral to experts, costing, and transparency.

I'll start with consultation, because logically it's the first part of the planning process, and also because this is the easiest one. Bill 135 includes consultation requirements, but if you look carefully, you'll see the Minister of Energy is required to consult with groups "that the minister considers appropriate given the matters being addressed." In other words, it's discretionary as to who gets to participate in consultations.

Given how important energy planning is for all Ontarians, we'd like to see this language amended so that all interested members of the public can have a say. This inclusive approach is also in line with the government's 2013 LTEP process, which at the time the OEA publicly stated was "a comprehensive and extensive consultation." So we are just looking to have what was done then included in the legislation, since it worked.

The second principle is deferral to experts, and this is perhaps the most important of our four principles. Simply put, the role of the IESO in the electricity planning process should be strengthened. The IESO is the agency with the most expertise in the technical parameters of Ontario's electricity system and, as David mentioned earlier, the industry has confidence in the new IESO's abilities. A stronger role for the IESO will not only produce a sounder plan, but will also help to depoliticize implementation of the government's planning objectives and principles that both government and opposition have repeatedly endorsed.

There are a few different ways that we have proposed to strengthen the IESO's role in the planning process. First, the technical assessment that the IESO provides shouldn't just be about providing a supply and demand outlook; it should also include recommendations for the plan itself for the minister's consideration. As part of the technical assessment report, the IESO should also include the costs and benefits of its recommendations. Government should then issue a draft plan, and the IESO should be required to analyze the projected costs and benefits associated with the plan, and provide a costing report to the government.

Once the plan is finalized, the actual implementation should be left to the experts at the IESO and the Ontario Energy Board. These agencies are, of course, required to conduct their activities in a way that facilitates plan implementation, but the actual details of how the agencies will implement the plan do not need to be subject to approval by the minister. We have confidence in the ability of Ontario's expert agencies, and we hope that you do as well.

Our third principle, which I alluded to a moment ago, is costing. We're talking about decades-long, multi-

billion dollar commitments here, so I think it's obvious that before being finalized, any plan must undergo a thorough and independent assessment of the costs and benefits.

Costing documents were publicly posted during the 2013 LTEP process, so again, we're just looking to have what was done then included in this legislation. We are recommending that they be posted prior to the LTEP being finalized, in order to support informed public input on the plan and full information to support government decision-making.

Lastly, transparency: I'll again note that the decisions made in the long-term energy plan affect virtually every Ontarian and will continue to do so for decades to come, so there needs to be a way to have a public review of the plan, the cost-benefit analysis, the technical report and any other background information the government uses before the plan is finalized.

There are multiple options for public review and, regardless of which mechanism is chosen, a full and open review is a cornerstone of public acceptability and legitimacy for planning decisions. All of these documents were publicly posted for review and comment during the 2013 LTEP process, so again, we are just looking to have what was done then put in place here.

If any of you participated in the 2013 LTEP, then much of this will sound familiar, and that's because the government did an unprecedented job in developing the plan, consulting with our industry and the public, and working closely with the IESO to get the facts right. I'd like to take a moment on behalf of the OEA to kindly thank Minister Bob Chiarelli and his team for running such an exemplary process. It worked well and produced a balanced plan.

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It's important to note that the 2013 LTEP was still an ad hoc process, and while Bill 135 attempts to codify the planning process, it doesn't fully capture what worked so well in 2013. We want to see a planning process that is inclusive, defers to the experts, is costed and transparent, and which will therefore stand the test of time.

As the OEA publicly stated during the 2013 LTEP: "Successful energy policy is created when government and industry work together." So I hope that's just what we can do here today.

Thank you for the opportunity to be here.

**Mr. David McFadden:** Thank you, Mr. Chair. That's our submission.

**The Chair (Mr. Grant Crack):** Thank you very much. On the front of your presentation it says, "Check against delivery." You nailed it; 10 minutes right on the button. I've just showed the Clerk that. It's the first time in the history of this committee, I would suspect.

**Mr. Bob Huggard:** I will get the \$5 bill afterwards.

**The Chair (Mr. Grant Crack):** We shall start with the official opposition. Mr. Yakabuski.

**Mr. John Yakabuski:** Thank you very much, gentlemen, for joining us today. You guys planned very well. There's a saying, something to the effect of, "When you

fail to plan, you plan to fail.” Well, you guys planned, and that’s why you nailed it at 10 minutes exactly.

Let’s talk about the consultation process. Thank you very much for your input. Approximately how many members are in the OEA?

**Mr. Bob Huggard:** About 100.

**Mr. John Yakabuski:** About 100. So we’re not talking about a little group. We’re talking about 100 members, a diverse group, all involved in the energy sector.

**Mr. Bob Huggard:** That’s correct.

**Mr. John Yakabuski:** When you speak here, you’re speaking for your 100 members.

**Mr. Bob Huggard:** That’s correct.

**Mr. John Yakabuski:** Thank you very much.

**Mr. David McFadden:** One of the unique aspects is that it covers every part of the industry, too. We’re not just distributors or generators; we cover the whole spectrum.

**Mr. John Yakabuski:** The whole gamut.

**Mr. David McFadden:** Yes.

**Mr. John Yakabuski:** On the consultation process, if I was looking to get somewhere and I was doing a consultative process, if I get to pick who I’m consulting, who’s part of that process, there’s a good chance I’m going to get where I want to go, not necessarily where we should be going. Is that a fair statement? If I get to choose who is part of the consultative process, there’s a chance that the conclusion is going to be one that is in keeping with my thoughts.

**Mr. Bob Huggard:** I suppose that could get you in that direction, yes.

**Mr. John Yakabuski:** But if I open up that process, we might actually get to where we’re supposed to be going, not just where I’d like to go. Is that fair?

**Mr. Bob Huggard:** If you invite open consultation, you will hear a diverse range of opinions, there’s no question about that, as you’ve heard today, just in the short time I’ve been here.

**Mr. John Yakabuski:** So your first recommendation’s pretty significant: You want that consultative process opened up so that the minister doesn’t get to pick who he chats with. Whoever believes that they have something to offer to the process should be allowed to participate.

**Mr. Bob Huggard:** We believe we’ll have a more effective long-term energy plan with getting as many views in the public arena for discussion, yes.

**Mr. John Yakabuski:** The deferral to experts—again, you have tremendous trust in the ability and the expertise and all of the knowledge that is encompassed in the IESO.

**Mr. Bob Huggard:** Yes, we do.

**Mr. John Yakabuski:** And you believe that it would be wrong for the minister to simply ignore that technical expertise and that business expertise with regard to our energy sector.

**Mr. Bob Huggard:** We believe the minister should defer to the experts when it comes to receiving a technical analysis, including the costs and benefits of those

plans, and when it comes to the implementation plans for the long-term energy plan.

**Mr. John Yakabuski:** I see in your brief that you’ve made some recommendations with regard to amendments.

**Mr. Bob Huggard:** Yes.

**Mr. John Yakabuski:** We’re not going to have time—I know I’m going to get cut off any second. I hope that those on the government side—because we live in a majority rule. Do you think this bill would have—no, I won’t even ask you that.

I don’t think this bill would have ever been brought forward in a minority government, but under the circumstances, we have what we have. But I hope that the government is going to be listening to the recommendations from so many people with regard to amendments to this bill.

I thank you for your amendments, or your suggestions.

**Mr. Bob Huggard:** Thank you.

**The Chair (Mr. Grant Crack):** Thank you very much. We shall move to the third party. Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you, Chair. David, Bob, Mr. Mondrow, thank you very much for coming today and making the presentation.

Twice you talk about the need to cost things before you go forward. On the face of it, it makes sense to me, but you may want to enlarge on why costing is so critical in this process.

**Mr. Bob Huggard:** Our members, many of which make long-term and significant investments, need to understand what the environment is that they’re going to be investing in and the business decisions around that. To that effect, their business plans are costed and analyzed, and decisions are made around that.

We feel that that same philosophy can exist when we’re looking at the overall provincial long-term energy plan: that we should look at not just supply and demand but what the various costs and the concomitant benefits from those investments will have on making different choices within that plan. So we think we will get a stronger plan from having the cost and benefits as part of the overall evaluation.

**Mr. David McFadden:** The other thing I’d just mention, as well, that you commented on is the importance of the energy sector to the economy. I think it’s important that the people of Ontario, industry and the individual citizens be able to see what the cost to this whole thing is because it’s vital to our economy and their standard of living. To me, it’s axiomatic that they should have some idea of what this whole project is costing so that they make a judgment on it.

**Mr. Peter Tabuns:** Yes, I agree actually. It makes total sense to me.

You’re recommending that the OEB continue to be involved in assessment of these plans, and that seems to be directly contrary to the direction this bill is going in. Why would the government avoid the OEB as the place for having that public debate and that public testing of information?

**Mr. Bob Huggard:** We see the Ontario Energy Board as having the expertise, as one of the independent agencies in the province, to be able to play a particularly strong role in implementation. We have recommended that additional resourcing would be beneficial to the OEB's role, but it has definitely had a very important role in Ontario in overseeing the implementation of plans, both of our members and some of the overarching strategies in the province.

**Mr. David McFadden:** I think, as well, that the importance of the OEB is to some extent giving it social acceptance. It's a forum where people can count on the fact they're going to get an independent review of whatever's proposed. We think that's all part of the whole package.

**Mr. Peter Tabuns:** The last question, then: Were you consulted about this bill in advance of its introduction?

**Mr. Bob Huggard:** We were told that it was coming.

**Mr. Peter Tabuns:** Were you asked about the role of the OEB at any point?

**Mr. Bob Huggard:** At that time, no—not to my knowledge.

**Mr. Peter Tabuns:** No? Don't you find that surprising? I mean, you're not an insignificant player in this province on these matters.

**Mr. Bob Huggard:** We were informed about the bill coming, and we have had an opportunity to consult and to provide advice to the government as we've gone over the years, so that evolved.

**Mr. Peter Tabuns:** Sorry; when you say "that evolved"—you were told the bill was coming. Were the provisions in the bill reviewed with the OEA?

**Mr. Bob Huggard:** We had talked to the government about giving our feedback, but the provisions were not ever discussed, no.

**Mr. Peter Tabuns:** Okay. Thank you very much. I appreciate your time.

**The Chair (Mr. Grant Crack):** Thank you. We shall move to the government. Mr. Delaney.

**Mr. Bob Delaney:** I have a number of clarification questions to your very interesting brief, for which I thank you. I'll ask the questions very quickly and, as we don't have a lot of time, if you could find a way to answer concisely that would be better. What or who do you define as a stakeholder?

**Mr. David McFadden:** I think stakeholders are the people of Ontario and all the industries in Ontario—I mean, broadly speaking.

**Mr. Bob Delaney:** Okay.

**Mr. David McFadden:** Our association would represent a good cross-section of the stakeholders, not the only stakeholders. There is obviously a very broad number of people and organizations who have an interest.

**Mr. Bob Delaney:** As we discuss how the process should evolve—a question I've asked before—should the process ever reach a conclusion?

**Mr. David McFadden:** You could have a consultation that would go on forever. What we indicated was that we thought that the kind of process that was

followed with the LTEP in 2013 seemed to meet most standards, and if you put that into place, along with the things we're recommending, we think that probably would cover the bases you really need to cover.

**Mr. Bob Delaney:** So just for clarification, then: If, as you said, predictability is important, in what time frame should an LTEP-type planning review reach a conclusion?

**Mr. David McFadden:** Well, you'd assume that it's more than one week and probably less than a year.

**Mr. Bob Delaney:** That's fine.

**Mr. David McFadden:** I understand your point of saying, "Well, how long can this go on?" I think you can time-limit it but, in the end, you have to put a process in place that allows for a proper input time by the various, as you said, stakeholders, the people who have got—

**Mr. Bob Delaney:** In your opinion, was the old IPSP process sufficiently responsive?

**Mr. David McFadden:** Are you going back to the original one with the Ontario Power Authority? Well, that's a whole other thing. Millions of dollars were spent by all kinds of stakeholders at the OPA with the first IPSP, and then it went to the Ontario Energy Board and was hoisted at the door of the board. A lot of organizations spent a lot of money and time. That, unfortunately, didn't work very well for anybody. I don't want to get into all the reasons, but that's what happened. So we felt that, even though the Electricity Act per se was not being followed in 2013, the process that was followed in 2013 was a solid process.

**Mr. Bob Delaney:** I get that.

In your brief, in recommendation number 2, you say, "The consultation provisions should expressly require consultation of, and the opportunity to receive input from, all interested stakeholders...." Given what you've just said, if, for example, tens of thousands of people apply to participate, is consultation expressly required of each of, say, tens of thousands or hundreds of thousands of people who define themselves as stakeholders?

**Mr. Ian Mondrow:** Sir, I think the proposals emphasize the need for transparency in public posting of not only the plan in draft form but the supporting documents, and a facility for anyone who is interested, who feels they have something to say, to provide that input. There are websites that do that very well; the Environmental Bill of Rights has a posting process that does that very well.

The government obviously will then have to digest the input. Logistically, that can be an issue. But to cut off the input at the minister's discretion is what the OEA is concerned about.

**Mr. Bob Delaney:** Okay. So in other words—

**The Chair (Mr. Grant Crack):** Thank you.

**Mr. Bob Delaney:**—consultation requires the receiving of the input from—

**Mr. John Yakabuski:** I think he said, "Thank you."

**Mr. Ian Mondrow:** The receiving of informed input.

**Mr. Bob Delaney:** Thank you.

**The Chair (Mr. Grant Crack):** I'd like to thank you, gentlemen, for coming before the committee this afternoon and sharing your information; we appreciate it.

To the members of the committee, I'd like to make a reminder to you all that on Thursday, February 25, which is tomorrow, the deadline for amendments is at 12 noon. Any questions or comments?

**Mr. Peter Tabuns:** Thank you.

**The Chair (Mr. Grant Crack):** You're quite welcome. I thank everyone for your participation this afternoon. Mr. Tabuns wants me to call this meeting adjourned.

*The committee adjourned at 1723.*







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